

INDEPENDENT AUDITOR'S REVIEW REPORT

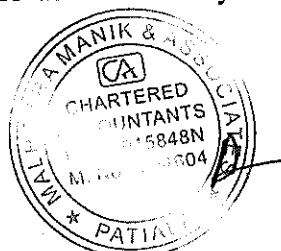
To

The Board of Directors of
Garg Acrylics Limited

1. We have reviewed the accompanying statements of unaudited financial results of Garg Acrylics Limited (the company) for the quarter and half year ended 30th September, 2017 and the unaudited Balance Sheet as at 30th September, 2017 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Note (v) to the unaudited Financial Results which describes that Provision for gratuity liability to employees has been made on estimated basis. The short/excess if any on the basis of actuarial valuation as per Indian accounting standard IND AS-19 Employee benefits would be made in the audited accounts for the year ended 31-03-2018. Accordingly, we are unable to comment on the impact of the same on results for the quarter ended on September 30, 2017.
4. Based on our review conducted as stated, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016



MALHOTRA MANIK & ASSOCIATES.
CHARTERED ACCOUNTANTS

88, 1st FLOOR,
SHERE PUNJAB MARKET,
PATIALA-147001
MOBILE NO. 98550-37608
E-Mail:mma4ca@yahoo.co.in

dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Comparative financial information of the company for the quarter and half year ended 30th September, 2016 prepared in accordance with Indian Accounting Standards ("Ind AS") included in the statement have been reviewed/audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information expressed an unmodified opinion/conclusion.

Our report is not modified in respect of these matters.

FOR MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS

(Firm Regn. No. 015848N)

Manik Malhotra

(CA. MANIK MALHOTRA)

PROP.

M.No.094604

Place: Patiala

Date: 14.11.2017

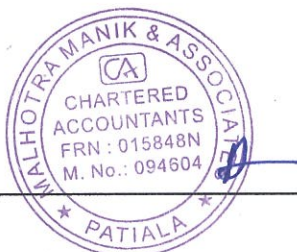


Statement of unaudited financial results for the quarter and six months ended 30 September, 2017

(Rs. In Lacs)

Sr. No.	Particulars (Refer Notes below)	3 months ended 30 Sept 2017	Preceding 3 months ended 30 June 2017	Correspondin g 3 months in previous year ended 30 Sept 2016	Year to date figures for current period ended 30 Sept, 2017	Year to date figures for previous year ended 30 Sept, 2016
1	Revenue from Operations	30327.31	33231.44	31041.16	63558.75	59916.05
2	Other Income	18.72	11.98	79.77	30.70	142.33
3	Total income (1+2)	30346.03	33243.42	31120.93	63589.45	60058.38
4	Expenses					
a)	Cost of materials consumed	18849.54	17819.00	18071.12	36668.54	35081.26
b)	Purchases of stock-in-trade	2442.22	2287.00	1697.00	4729.22	3044.00
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-2668.50	1701.29	-195.50	-967.21	-538.46
d)	Employee benefits expense	1568.73	1438.74	1468.21	3007.47	2677.60
e)	Finance Cost	1031.59	1466.43	1486.35	2498.02	2961.54
f)	Excise Duty	0.00	22.29	70.85	22.29	85.47
g)	Depreciation and amortisation expense	1816.34	1805.96	2182.06	3622.30	4321.50
h)	Power & Fuel	3388.20	3163.85	3183.20	6552.05	6459.98
i)	Other expenses	2421.88	2558.12	2461.70	4980.00	4727.96
	Total expenses	28850.00	32262.68	30424.99	61112.68	58620.85
5	Profit before exceptional items, corporate social responsibility expenditure and tax (3-4)	1496.03	980.74	695.94	2476.77	1237.53
6	Exceptional items					
7	Profit before tax (5-6)	1496.03	980.74	695.94	2476.77	1237.53
8	Tax expense					
	-Current Tax	182.51	372.00	149.00	554.51	270.00
	-Deferred Tax Asset/(Liability)	149.85	171.31	97.49	321.16	206.49
9	Profit for the period (7-8)	1463.38	780.05	644.43	2243.42	1174.02
10	Other comprehensive income					
a)	(i) Items that will not be reclassified to profit or loss	25.84	25.84	25.84	51.68	51.68
	(ii) Income tax related to items that will not be reclassified to profit or loss	8.94	8.94	8.94	17.89	17.89
b)	(i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax related to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
11	Total comprehensive income for the period (9+10)	1480.28	796.95	661.33	2277.22	1207.82
12	Paid-up equity share capital (face value of Rs. 10/- each)	83.04	83.04	83.04	83.04	83.04
13	Other equity excluding revaluation reserves as per balance sheet of previous accounting year.	--	--	--	--	--
14	Earning per share (of Rs.10/- each) (not annualised)					
(a)	Basic	178.27	95.98	79.64	274.25	145.46
(b)	Diluted	178.27	95.98	79.64	274.25	145.46

Place: Ludhiana
Date: 14-11-2017



For and on behalf of Board of Directors

Sanjiv Garg
Sanjiv Garg
Managing Director
DIN:00217156

Notes:	
1	The above financial results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 14 November, 2017. The statutory auditors have carried the Limited Review Report.
2	The company has adopted Indian Accounting Standard ('IND AS') from 1 April, 2017 (transition date being 1 April 2016) and accordingly, these financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016. These financial results have been prepared in accordance with recognition and measurement principles in Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
3	Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure.
4	Business segments have been identified based on the nature and class of products and services, assessment of differential risks and returns. Accordingly, the Company is a single segment company operating in textile business and disclosure requirements as contained in Ind AS-108 "Operating Segments" are not required in the standalone financial statements.
5	Provision for gratuity liability to employees has been made on estimated basis. The short/excess if any on the basis of actuarial valuation as per Indian accounting standard IND AS-19 Employee benefits would be made in the audited accounts for the year ended 31-03-2018
6	Revenue from operations for the quarter ended 30 September 2017 is net of Goods and Service Tax (GST) which is applicable from 1 July, 2017, however, revenue before this period is net of Value Added Tax(VAT) but gross of excise duty. Accordingly, the revenue from operations for the quarter and six months period ended 30 Sept, 2017 are not comparable to the extent of excise duty amount with the previous periods presented in those consolidated financial results. Similarly, excise duty expense is also not comparable
7	Reconciliation of net profit after tax as previously reported under Indian GAAP and IND AS for the quarter ended 30 Sept, 2016 is given below. The management has also provided a reconciliation of net profit after tax that would have been determined under the previous applicable Indian GAAP with net profit after tax under IND AS.

(Rs. In Lacs)				
Particulars	Notes	Qtr ended 30 Sept 2016	6 months ended 30 Sept 2016	
Net profit as per previous Indian GAAP		591.99	1072.10	
Deferred tax impact not reported earlier		88.09	182.87	
Adjusted Net Profits as per Previous Indian GAAP		680.08	1254.97	
Adjustments on account of				
1. Measurement of financial assets and liabilities at amortised cost	7a	-8.96	-18.18	
2. Reclassification of actuarial gain (loss) arising in respect of defined benefit plan to "Other comprehensive income".	7b	-25.84	-51.68	
3. Fair value measurement of investments through FVTPL	7c	0.00	0.03	
4. Financial impact of Compound Financial Instruments		-15.92	-31.85	
5. Other adjustments		5.66	-2.90	
6. Deferred Tax impact on above adjustments		9.40	23.62	
Profit for the period		644.43	1174.01	
Other comprehensive income	7b	16.90	33.80	
Net profit for the period under IND AS		661.33	1207.82	

a. Under previous Indian GAAP, all financial assets and liabilities were carried at costs. Under IND AS, certain financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost.
b. Under previous Indian GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses are recognized in other comprehensive income.
c. Under previous Indian GAAP, the Company's investments in equity shares were being valued at lower of cost or net realisable value. As per Ind AS 109, Financial Instruments, these investment in equity shares are to be classified through fair value profit or loss (FVPL). Pursuant to requirement of Ind AS 109, Financial Instruments, the Company has valued its investments in equity shares at fair value and resultant impact is recognized in operating reserves as on the date of transition i.e. 1 April, 2016 and changes thereafter have been recognized in statement of profit and loss for the respective accounting periods.

Place: Ludhiana
Date: 14-11-2017



For and on behalf of Board of Directors

Sanjiv Garg
Sanjiv Garg
Managing Director
DIN:00217156

GARG ACRYLICS LIMITED
STATEMENT OF ASSETS AND LIABILITIES

Particulars	AS AT Sept 30, 2017 (Unaudited) (Rs. In Lacs)
ASSETS	
1 Non-Current Assets	
a) Property, Plant and Equipment	43,943.40
b) Capital Work-in-Progress	718.59
c) Other Intangible assets	10.07
d) Financial Assets	
- Investments	3.88
- Other Financial Assets	508.45
e) Other Non-Current Assets	919.97
	<u>46104.37</u>
2 Current Assets	
a) Inventories	25,047.48
b) Financial Assets	
- Investments	21.02
- Trade receivables	18,904.74
- Cash and Cash Equivalents	557.94
- Short Term Loans & Advances	164.91
- Other Financial Assets	2,869.20
c) Other Current Assets	4,239.37
	<u>51804.67</u>
TOTAL	<u>97909.04</u>
I EQUITY AND LIABILITIES	
1 Shareholders' Funds	
a) Equity Capital	83.04
b) Other Equity	26,428.78
	<u>26511.82</u>
2 Non-Current Liabilities	
(a) Financial Liabilities	
- Borrowings	23,866.78
(b) Provisions	291.35
(c) Deferred Tax Liabilities (Net)	2,107.62
(d) Other Non-Current Liabilities	49.13
Total-Non-Current Liabilities	<u>26314.87</u>
3 Current Liabilities	
(a) Financial Liabilities	
- Borrowings	32,139.24
- Trade Payables	3,729.70
- Other Financial Liabilities	6,758.97
(b) Provisions	511.78
(c) Other Current Liabilities	1,942.65
Total-Current Liabilities	<u>45082.34</u>
TOTAL	<u>97909.04</u>

Place: Ludhiana
Date: 14-11-2017



For and on behalf of Board of Director

Sanjiv Garg
Sanjiv Garg
Managing Director
DIN:00217156