



Garg Acrylics Limited (our “Company” or the “Issuer”) was originally incorporated as “Mercury Finance and Leasing Company Limited” under the provision of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 22, 1983, granted by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “Mercury Ispat Udyog Limited” and a fresh certificate of incorporation consequent upon change of name was issued on May 08, 1986 by the Registrar of Companies, Delhi & Haryana. Further, the name of the company was changed to “Garg Industries Limited” vide certificate of incorporation dated August 09, 1994 issued by the Registrar of Companies, NCT of Delhi and Haryana. Thereafter, the name of our company got changed to Garg Acrylics Limited vide certificate of incorporation dated March 12, 1999 issued by the Assistant Registrar of Companies, NCT of Delhi & Haryana. The Corporate Identification Number of our company is L74999DL1983PLC017001. For further details please refer to the section titled “General Information” beginning on page 38 of this Letter of offer.

Registered Office: A-50/1, Wazirpur Industrial Area, Delhi- 110052, India
Corporate Office: Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India.
Tel: 0161-4692500, **Website:** www.gargltd.com, **E-mail:** gargacrylics@yahoo.com
Company Secretary and Compliance Officer: Ms. Priya Rani

Promoters: Mr. Sanjiv Garg, Mr. Rajiv Garg, Mr. Ujjwal Garg, Mr. Toshak Garg, Ms. Renu Garg, Ms. Neelu Garg, Mr. Arun K Aggarwal, Mr. Jagdish K Jain, Mr. Raj Nanda, Mr. Ravi Nanda, Mr. Sunil Nanda, Mr. Vimal Nanda, Mr. Arun Nanda, Dharampal Garg and Sons HUF, Sanjiv Garg HUF, Rajiv Garg and Sons HUF, Shubham Yarns Private Limited, Gal Cottex Private Limited, Pushpa Yarns Private Limited, DPG Textile Limited

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF GARG ACRYLICS LIMITED

THE ISSUE

ISSUE OF UP TO 39,85,680 EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 25 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 15 PER EQUITY SHARE) (“RIGHTS EQUITY SHARES”) FOR AN AMOUNT AGGREGATING UPTO ₹ 996.42* LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF GARG ACRYLICS LIMITED (THE “COMPANY” OR THE “ISSUER”) IN THE RATIO OF 3 (THREE) RIGHTS EQUITY SHARE FOR EVERY 5 (FIVE) FULLY PAID-UP EQUITY SHARE HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, FEBRUARY 18, 2025 (THE “ISSUE”).

***ASSUMING FULL SUBSCRIPTION**

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE OF ₹ 25 THAT IS 2.5 TIMES OF THE FACE VALUE. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 99.

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company, our Promoters nor Directors are categorised as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before making an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of offer. Investors are advised to refer to “Risk Factors” on Page 23 before making an investment in this Issue.

ISSUERS ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of offer contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Letter of offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The equity shares of Garg Acrylics Limited (“Company”) are listed on the Metropolitan Stock Exchange of India Limited (“MSEI”). The Company has received in-principle approval from MSEI for the listing of the Rights Equity Shares arising from the Rights Issue, as per the letter dated January 08, 2025. Since there is currently no active platform available for conducting the Book Building process on the Metropolitan Stock Exchange of India Limited (“MSEI”), therefore the Company will apply to BSE Limited (“BSE”) for obtaining the trading approval to facilitate the trading of Rights Entitlements on the BSE platform. This will enable on-market renunciation of the Rights Entitlements in accordance with the provisions of the SEBI Master Circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154, dated November 11, 2024. For the purposes of the Rights Issue, MSEI shall be the Designated Stock Exchange.

REGISTRAR TO THE ISSUE



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, India
Tel. No.: 011-40450193-197; **Fax:** 011-26812683
Email: ipo@skylinerta.com; **Website:** www.skylinerta.com
Contact Person: Mr. Anuj Rana
SEBI Registration No.: INR000003241

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR MARKET RENOUNCIATION*	ISSUE CLOSURES ON
Thursday, February 27, 2025	Monday, March 10, 2025	Thursday, March 13, 2025

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

[THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

Sections	Particulars	Page No.
Section I	General	4
	Definitions and Abbreviations	4
	Notice to Investors	13
	Certain Conventions, Use of Financial Information and Use of Currency of Presentation	16
	Forward Looking Statements	18
Section II	Summary of the Offer	19
Section III	Risk Factors	23
Section IV	Introduction	36
	The Issue	36
	General Information	38
	Capital Structure	43
Section V	Particulars of the Issue	46
	Objects of the Issue	46
	Statements of Possible Tax Benefits	52
Section VI	About our Company	56
	Industry Overview	56
	Our Business	63
	Our Management	73
Section VII	Financial Information	77
	Financial Statements	FS1- FS87
	Accounting Ratios	78
	Management's Discussion and Analysis of Financial Condition and Results of Operations	79
Section VIII	Legal and Other Information	85
	Outstanding Litigations and Defaults	85
	Government and Statutory Approvals	89
	Other Regulatory and Statutory Disclosures	92
Section IX	Issue Related Information	99
	Terms of Issue	99
Section X	Other Information	132
	Material Contracts and Documents for Inspection	132
	Declaration	133

This space is intentionally left blank

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended or re-enacted from time to time. The words and expressions used in this Letter of offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Possible Tax Benefits" and "Financial Information of the Company" beginning on pages 52 and 77, respectively, shall have the meaning ascribed to such terms in such sections. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to "the Issuer", "Issuer Company", "the Company", "our Company", "Garg Acrylics Limited" or "GAL" are references to Garg Acrylics Limited and references to "we", "our" or "us" are references to our Company.

Company Related Terms

Term	Description
"Garg Acrylics Limited"/ "Garg" / "Our Company"/ "we" / "us"/ "Our"/ "Issuer Company"/ "the Issuer"	Garg Acrylics Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended.
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ended on March 31, 2024.
Auditor/ Statutory Auditor	The statutory auditor of our Company being M/s. Kamboj Malhotra & Associates (Formerly known as M/s. Malhotra Manik & Associates), Chartered Accountants.
Board of Director(s)/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled "Our Management" beginning on page 73 of this Letter of offer.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company being Mr. Ramandeep Singh.
Company Secretary & Compliance Officer	Company Secretary and Compliance Officer of our Company being Ms. Priya Rani.
Corporate Office	Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India.
Director(s)	Any or all the Director(s) of our board, as may be appointed from time to time.
Eligible Shareholder(s)	Holder(s) of the Equity Shares of Garg Acrylics Limited as on the Record Date.
Equity Shares	The equity shares of our Company of face value of ₹ 10.00/- each fully paid-up, unless otherwise specified in the context thereof.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed under section titled "Our Management" beginning on page 73 of this Letter of offer.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation adopted by our Board, in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.
Peer Review Auditors	The peer review auditor of our Company, being M/s. Kamboj Malhotra & Associates (Formerly known as M/s. Malhotra Manik & Associates), Chartered Accountants.

Promoters	Promoters shall mean Promoter of our Company <i>i.e.</i> Mr. Sanjiv Garg, Mr. Rajiv Garg, Mr. Ujjwal Garg, Mr. Toshak Garg, Ms. Renu Garg, Ms. Neelu Garg, Mr. Arun K Aggarwal, Mr. Jagdish K Jain, Mr. Raj Nanda, Mr. Ravi Nanda, Mr. Sunil Nanda, Mr. Vimal Nanda, Mr. Arun Nanda, Dharampala Garg and Sons HUF, Sanjiv Garg HUF, Rajiv Garg and Sons HUF, Shubham Yarns Private Limited, Gal Cottex Private Limited, Pushpa Yarns Private Limited, DPG Textile Limited.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with MSEI under the SEBI (LODR) Regulations.
Registered Office	Registered office of our Company situated at A-50/1, Wazirpur Industrial Area, Delhi-110052, India.
RoC/ Registrar of Companies	The Registrar of Companies, Delhi situated at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi- 110019, India.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Delhi are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Delhi are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Issue related terms

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Allot/ Allotment/ Allotted of Equity Shares	Unless the context requires, the allotment of Right Equity Shares pursuant to the Issue.
Additional Rights Shares	The Rights Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Account Bank	The Bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, HDFC Bank Limited.
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be allotted the Rights Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	Persons to whom Right Equity Shares are issued pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, being an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Equity Shares at the Issue Price.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Form	Unless the context otherwise requires, an application form made available through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Supported by	Application (whether physical or electronic) used by ASBA Investors to make an

Blocked Amount / ASBA	application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor	Any Applicant who intends to apply through ASBA Process.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being HDFC Bank Limited.
Bankers to the Issue Agreement	Agreement dated January 23, 2025 entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Bangalore, Hyderabad and Pune.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue, and which is described in 'Terms of the Issue' beginning on page 99 of this Letter of offer;
Broker Centres	Broker centers notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form;
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of SEBI Master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes ;
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of Investor's father/husband, Occupation, Investor status and Bank Account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depository/ Depositories	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to CDP. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.msei.in as well as on the website of BSE Limited i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.msei.in as well as on the website of BSE Limited i.e. www.bseindia.com

Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated December 06, 2024, filed with Metropolitan Stock Exchange of India Limited in accordance with the SEBI (ICDR) Regulations, for their observations and in-principal approval.
Designated Stock Exchange	Metropolitan Stock Exchange of India Limited (MSEI)
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being HDFC Bank Limited.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
ISIN	International Securities Identification Number of Rights Entitlements in this case being INE244E01018.
Issue/ Rights Issue	Rights Issue of up to 39,85,680 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ 25.00 per Rights Equity Share not exceeding ₹ 996.42* Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 3 Rights Equity Shares for every 5 Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Tuesday, February 18, 2025.
Issue Closing Date	Thursday, March 13, 2025
Issue Opening Date	Thursday, February 27, 2025
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	₹ 25.00 per Right Equity Share issued including a premium of ₹ 15.00 per Rights Equity Share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer to section titled " <i>Objects of the Issue</i> " beginning on page 46 of this Letter of offer.
Issue Shares	Upto 39,85,680 Rights Issue Shares.
Issue Size	Amount aggregating up to ₹ 996.42* Lakhs (<i>Assuming full subscription with respect to Rights Shares</i>).
Letter of Offer/ LoF	The final Letter of Offer to be filed with MSEI after incorporating the observations received from MSEI on the Draft Letter of Offer.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Material Fraud	Fraud that has so vitiated the entire transaction that the legitimate purposes of the independence of the issuer's obligation can no longer be served.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by our Company.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Master Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the BSE Limited through a registered stockbroker in

	accordance with the SEBI Master Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Monday, March 10, 2025.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Payment Schedule	Payment schedule under which 100 % of the Issue Price is payable on Application, i.e., ₹ 25.00 per Rights Share.
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability co., joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Tuesday, February 18, 2025.
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being HDFC Bank.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of SEBI Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 issued by SEBI.
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable.
Registrar/ Registrar to this Issue/RTI	Registrar to the Issue, being Skyline Financial Services Private Limited.
Registrar Agreement	The Agreement dated November 04, 2024, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renounees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Thursday, February 27, 2025. Such period shall close on Monday, March 10, 2025 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. Thursday, March 13, 2025.
Retail Individual Investors/RII	Individual Applicants or minors applying through their natural guardians, (<i>including HUFs in the name of Karta and Eligible NRIs</i>) who have applied for an amount less than or equal to ₹ 2.00 Lakh in this Issue.
Rights Entitlement (s)/ REs	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 3 (Three) Right Equity Shares for every 5 (Five) Equity Shares held by an Eligible Equity Shareholder. The Rights Entitlements with a separate ISIN ' INE244E20018 ' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Master Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.

Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible and on the website of our Company.
Rights Shares	Equity shares of our Company to be Allotted pursuant to this Rights Issue, on fully paid-up basis.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
SEBI Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024.
Stock Exchange	Metropolitan Stock Exchange of India Limited (“MSEI”).
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.

Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the depositories in relation to demat account.
Companies Act, 1956	Companies Act, 1956 (<i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i>) along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
Competition Act	The Competition Act, 2002.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
Equity Listing Agreement / Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the Metropolitan Stock Exchange of India Limited (MSEI).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations (<i>defined later</i>).
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ending on March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations (<i>defined later</i>) and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February

	16, 2015, applicable from Financial Year commencing April 1, 2016.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Letter of offer.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations/ SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.

Technical and Industry related terms

Term	Description
MT	Metric Tonne
IEC	Import-Export Code
LC	Letter of Credit
F.O.R.	Freight on Road
PQ	Power quality
FDI	Foreign Direct Investment
KVA	Kilo Volt Ampere
KWP	Kilowatts Peak
NOC	No Objection Certificate
PLC	Programmable Logic Controller
DP	Depository Participant
CVC	Chief Value Cotton
OCB	Overseas Corporate Bodies

General terms/ Abbreviations

Term	Description
%	Percent

₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year
Approx	Approximately
BG/LC	Bank Guarantee / Letter of Credit
Bn	Billion
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
CA	Chartered Accountant
CC	Cash Credit
Cr	Crore
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor's Report) Order, 2020
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
BNS	Bhartiya Nyay Sanhita, 2023
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General Anti Avoidance Rules
GDP	Gross Domestic Product
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
Mn	Million
MoF	Ministry of Finance, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares.
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and

	Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account.
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited
MSEI	Metropolitan Stock Exchange of India Limited
NTA	Net Tangible Assets
OCB	Overseas Corporate Body
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SME	Small and Medium Enterprises
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956, and amendments thereto
SCRR	Securities Contracts (Regulation) Rules, 1957, and amendments thereto
Sec.	Section
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Wilful Defaulter	Wilful Defaulter as defined under Section 2(1)(III) of the SEBI (ICDR) Regulations.

This space is intentionally left blank

NOTICE TO INVESTORS

The distribution of this Letter of Offer, Abridged Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Letter of Offer, Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have registered their e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not registered their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer/ Abridged Letter of Offer and Application Form, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form. Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with MSEI (the "Stock Exchange") for observations. Accordingly, the Right Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Material must be treated as sent for information purpose only and should not be acted upon for subscription to Rights Entitlement and Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Material should not, in connection with this Issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares, or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or any U.S. State Securities Laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Rights Equity Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States,
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form (CAF) is incomplete or acceptance of such Application Form (CAF) may infringe applicable legal or regulatory requirements; and
5. Our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Our Company reserves the right to treat as invalid any application form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

This space is intentionally left blank

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references here into the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of offer are to a calendar year.

In this Letter of offer, unless otherwise indicated or the context otherwise requires, all references to the/our ‘Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Garg Acrylics Limited or, as the context requires, and references to ‘you’ are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of offer is derived from Audited Financial Statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 and limited review report for the period ended September 30, 2024 prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled ‘*Financial Information*’ beginning on page 77. The financial year of our Company commences on April 01 and ends on March 31.

The GoI has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Financial Statements of our Company for the period ended September 30, 2024 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of offer and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of offer should accordingly be limited. For further information, see ‘*Financial Information*’ on page 77.

In this Letter of offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Letter of offer to ‘Rupees’, ‘Rs.’, ‘₹’, ‘Indian Rupees’ and ‘INR’ are to Rupees, the official currency of the Republic of India.

All references to ‘U.S. \$’, ‘U.S. Dollar’, ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores; One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Letter of offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in '**Risk Factors**' on page 23. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

This space is intentionally left blank

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- General economic and business conditions globally, in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to manage our operating costs and impact on the financial results;
- Our ability to successfully implement our business strategies and expansion plans;
- Any cyclic change in the demand and supply of direct or indirect raw material supplies;
- Failure of our R&D efforts to yield returns or benefits, inability to successfully offer our customers new solutions and products and maintain our competitiveness;
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in general, political, social and economic conditions in India and elsewhere;
- Fluctuations in the exchange rate between the Indian rupee and foreign currencies;
- The occurrence of natural disasters or calamities; and
- Our inability to anticipate, respond to and meet the tastes, preferences or consistent quality requirements of our consumers or our inability to accurately predict and successfully adapt to changes in market demand or consumer preference could reduce demand for our products and in turn, impact our sales.

For further discussion of factors that could cause the actual results to differ, please refer to the section titled ‘**Risk Factors**’ beginning on page 23. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

This space is intentionally left blank

SECTION II - SUMMARY OF THE OFFER

The following is a general summary of certain disclosures included in this Letter of offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of offer, including the sections titled 'Risk Factors', 'Objects of the Issue', 'Our Business' and 'Outstanding Litigations and Defaults' beginning on pages 23, 46, 63, and 85 of this Letter of offer, respectively.

SUMMARY OF OUR INDUSTRY

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

For further details, please refer to the chapter titled '*Industry Overview*' beginning on page 56 of this Letter of offer.

SUMMARY OF OUR BUSINESS

We are engaged in manufacturing of basic yarns, Fabric and Garments. Yarns is our largest business with installed capacity of 69,462 MT per annum. We offer a one-stop solution for yarn requirements, catering to both domestic and foreign markets. Our Company has also been recognized by Government of India as a "Four Star Export House. The company obtained Import and Export code (IEC) from the Directorate General of Foreign Trade, Ministry of Commerce & Industry.

The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our team is equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.

For further details, please refer to the chapter titled '*Our Business*' beginning on page 63 of this Letter of offer.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Mr. Sanjiv Garg, Mr. Rajiv Garg, Mr. Ujjwal Garg, Mr. Toshak Garg, Ms. Renu Garg, Ms. Neelu Garg, Mr. Arun K Aggarwal, Mr. Jagdish K Jain, Mr. Raj Nanda, Mr. Ravi Nanda, Mr. Sunil Nanda, Mr. Vimal Nanda, Mr. Arun Nanda, Dharampal Garg and Sons HUF, Sanjiv Garg HUF, Rajiv Garg and Sons HUF, Shubham Yarns Private Limited, Gal Cottex Private Limited, Pushpa Yarns Private Limited, DPG Textile Limited.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company namely, Mr. Sanjiv Garg, Mr. Rajiv Garg, Mr. Ujjwal Garg, Ms. Renu Garg, Ms. Neelu Garg, Dharampal Garg and Sons HUF, Sanjiv Garg HUF, Rajiv Garg and Sons HUF, Shubham Yarns Private Limited, Gal Cottex Private Limited, Pushpa Yarns Private Limited and DPG Textile Limited have, vide their letters dated September 17, 2024 ("Participation Letters") indicated that they will subscribe in full extent of their Rights Entitlements. Further, the above-mentioned promoters have also undertaken that they shall subscribe in full to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Rights Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	Upto 996.42*
Less: Estimated Issue related Expenses	35.00
Net Proceeds from the Issue	961.42

* Assuming full subscription and allotment.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Working Capital Purposes	800.00
General Corporate Purposes#	161.42
Total Net Proceeds@	961.42

#In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 46 of this Letter of offer.

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth the summary financial information derived from the Audited Consolidated Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Year ending March 31, 2024, March 31, 2023 and March 31, 2022 and for the Six month period ending on September 30, 2024.

Particulars	(Amount in ₹ Lakhs)			
	For Six Month Period	For the Financial Year ending		
		September 30, 2024	March 31, 2024	March 31, 2023
Equity Share Capital	664.28	664.28	664.28	664.28
Net Worth	46,140.27	45,891.22	48,453.19	46,649.75
Total Income	85,095.75	1,60,741.39	1,60,375.12	1,94,351.43
Profit / (loss) after tax	204.79	(2,692.93)	2,228.68	1,9812.56
Basic and diluted EPS (in ₹)	3.08	(40.54)	33.55	298.25
Total Borrowings	46,630.37	53,256.50	39,925.50	46,638.79

AUDITOR QUALIFICATIONS

There is Nil Auditor Qualifications in the financial statements of the Company. For further details, please refer to section titled '**Financial Statements**' beginning on page 77 of this Letter of offer.

SUMMARY OF OUTSTANDING LITIGATION

(Amount ₹ in Lakhs)

Nature of Cases	Number of cases	Amount involved
Litigations involving our Company		
(a) Litigation against Company	6	2363
Income Tax Appeal against ITAT decision	1	930
TUF- Subsidy Appeal against High Court decision	1	-
Commercial Appeal against NCDRC decision	1	1429
CMA-Miscellaneous appeal against lower court (stay granted in favour)	1	-
Civil Suit 1604/2021	1	3
CS- Civil Suit Land Dispute	1	1
(b) Case/Appeal by Company	15	131
CMA-Civil Miscellaneous appeal	1	-
CMA-Civil Miscellaneous appeal	2	10
CMA-Civil Miscellaneous appeal	5	10
COMA-Complaint Act (Negotiable Instrument Act 1881)	4	51
Exe-Execution	1	7
COMA-Complaint Act (Negotiable Instrument Act 1881)	1	48
CS- Civil Suit	1	5
Litigation involving our Directors, Promoters and Promoter Group	8	63
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to section titled '*Outstanding Litigations and Defaults*' beginning on page 85 of this Letter of offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 23 of this Letter of offer.

SUMMARY OF CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning from page 77 of this Letter of offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, beginning on page 77 of this Letter of offer.

ISSUE OF EQUITY SHARES FROM CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Letter of offer.

SPLIT/ CONSOLIDATION OF EQUITY SHARES IN LAST 1 (ONE) YEAR

There has been no split/ consolidation of Equity Shares during the last 1 (One) year immediately preceding the date of filing this Letter of offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Letter of offer.

This space is intentionally left blank

SECTION III- RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Letter of offer, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Letter of offer could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our equity shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Letter of offer may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a better understanding, you should read this section in conjunction with the chapters titled "Our Business" beginning on page 63 of this Letter of offer as well as other financial information contained herein.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in the future.

Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in the financial statements prepared in accordance with Indian GAAP.

INTERNAL RISK FACTORS:

1. ***Some of our promoters are non-traceable due to this our promoter and promoters group holding is not in dematerialized form as per Regulations 31(2) of SEBI (LODR) Regulations.***

As on date of this Letter of offer, there are total 20 promoters in the Company out of which 7 promoters of our company, namely Mr. Arun K Aggarwal, Mr. Jagdish K Jain, Mr. Raj Nanda, Mr. Ravi Nanda, Mr. Sunil Nanda, Mr. Vimal Nanda and Mr. Arun Nanda, are currently non-traceable. The company's management intends to reclassify them from the promoter category to the public category in accordance with Regulation 31A of SEBI (LODR) Regulations, 2018. Our promoter holdings are not fully dematerialized, which is inconsistent with Regulation 31(2) of the SEBI (LODR) Regulations. This non-compliance could lead to regulatory scrutiny, potential penalties and limitations on the transferability of shares, which may adversely affect the liquidity and valuation of our equity shares. Only 98.60% of the promoters holding is in demat form and the remaining 1.40% of the promoters holding is in physical form due to their non-traceability.

2. ***Our Company, promoters and Directors are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/then liable to liabilities/penalties and may adversely affect our business and results operations.***

Our Company and Promoters are currently involved in certain legal proceedings. These legal proceedings are pending

at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory/ statutory authorities against our Company, Promoters and directors have been set out below:

(Amount in ₹ Lakhs)

Nature of Cases	Number of cases	Amount involved
Litigations involving our Company		
(a) Litigation against Company	6	2363
Income Tax Appeal against ITAT decision	1	930
TUF- Subsidy Appeal against High Court decision	1	-
Commercial Appeal against NCDRC decision	1	1429
CMA-Miscellaneous appeal against lower court (stay granted in favour)	1	-
Civil Suit 1604/2021	1	3
CS- Civil Suit Land Dispute	1	1
(b) Case/Appeal by Company	15	131
CMA-Civil Miscellaneous appeal	1	-
CMA-Civil Miscellaneous appeal	2	10
CMA-Civil Miscellaneous appeal	5	10
COMA-Complaint Act (Negotiable Instrument Act 1881)	4	51
Exe-Execution	1	7
COMA-Complaint Act (Negotiable Instrument Act 1881)	1	48
CS- Civil Suit	1	5
Litigation involving our Directors, Promoters and Promoter Group	8	63
Litigation involving our Group Companies	Nil	Nil

For Further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 85 of this Letter of offer.

3. *The registered office premises are based on an authorization letter from a third party, not taken on leased by the Company.*

We do not own our Registered Office, and we occupy it based on an authorization letter from the property owner. This authorization may be terminated for reasons beyond our control. If the authorization letter is revoked, we may need to move our operations to a different location, which could require significant changes to our current setup and affect our ability to continue operating at the current site. Moving part of our operations could cause disruptions and lead to significant costs. We cannot guarantee that we will find suitable premises at reasonable terms or within a reasonable time, and we may have to pay higher rent or incur extra expenses for modifications. Any of these factors could negatively impact our business, operations, and financial condition.

4. *We are largely dependent on few suppliers for our raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.*

We purchase our major raw material from few suppliers on formula based pricing as mutually agreed upon. For the Fiscal 2024, our top five suppliers contribute approximately 54% of our total purchases. Further, our total purchases of raw materials are concentrated from only few suppliers.

We have a mutual understanding with our primary suppliers from time to time. However, the absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies and regulatory changes. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner.

5. *The present corporate promoters i.e. Shubham Yarns Private Limited, Gal Cottex Private Limited, Pushpa Yarns Private Limited and DPG Textiles Limited may enter into similar line of business activity in which issuer Company is engaged which may create a conflict of interest. Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with our corporate promoter.*

At present, our company is having four corporate promoter namely Shubham Yarns Private Limited, Gal Cottex Private Limited, Pushpa Yarns Private Limited and DPG Textiles Limited whose objects are similar to our company's business activities and for which our Company has not signed any agreement / document with our promoter company so as to confirm that it will not manufacture or sell products to our customers. Our corporate promoter may expand their business in the future that may compete with us. The interests of our corporate promoter may conflict with our Company's interests and / or with each other which may adversely affect our operations.

6. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

We have employed 5040 personnel across our operations. Although we have not experienced any material labor unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labor unrest directed against us, could directly or indirectly prevent, or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

7. *We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements may adversely affect our results of operations.*

Our Company's business operations require a significant amount of working capital. In our business, working capital is often required for our day-to-day business operations including Cost of Materials Consumed and other expenses. In the event we are unable to source the required amount of working capital, we might not be able to efficiently satisfy the demand and preferences of our clients in a timely manner or at all. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect our business.

There exists a substantial requirement of working capital and financing in the form of fund and non-fund based working capital facilities to meet our requirements. The details of our working capital for the projected, estimated and restated period are as follows:

(Amount in ₹ lakhs)

Sr. No.	Particulars	Year Ended	Year Ended	Year Ended	Period Ended	Year Ended	Year Ended
		31st March, 2022	31st March, 2023	31st March, 2024	30th September, 2024	31st March, 2025 (P)	31st March, 2026 (P)
I.	Current Assets						
1	Inventories	39,952.64	37,062.01	40,100.87	28,485.86	41,598.25	43,883.52
2	Current Investments	92.72	89.52	89.54	126.09	130	130
3	Trade Receivables	23,671.99	17,651.29	19,769.64	18,777.18	21,652.00	22,917.00
4	Cash and Cash Equivalents	482.58	490.89	649.98	735.86	860	900
5	Other Current Financial Assets	1,458.29	1,426.39	433.07	63.65	70	80
6	Other Current Assets	8,030.70	6,214.22	7,336.69	10,384.00	7,426.18	10,359.50
	Total Current Assets	73,688.92	62,934.32	68,379.79	58,572.64	71,736.43	78,270.02
II.	Current liabilities						
1	Trade payables	6342.56	4,176.01	8,698.75	4,502.99	6,375.21	6,697.77
2	Other Financial Liabilities	913.84	16.09	110.85	-	-	-
3	Other Current Liabilities	2063.73	1,410.75	1,048.80	1,159.72	625	1,880.00
4	Provisions	192.73	205.66	191.28	191.78	200	200

5	Current Tax Provisions (Net)	1765.54	35.48	-	-	475.98	1,254.31
	Total Current Liabilities	11,278.40	5,843.99	10,049.68	5,854.49	7,676.19	10,032.08
III.	Total Working Capital	62,410.52	57,090.33	58,330.11	52,718.15	64,060.24	68,237.94
	Short Term Borrowings	36,236.76	34,420.09	40,757.68	34,714.53	42,825.00	41,500.00
	Internal Accruals	26,173.76	22,670.24	17,572.43	18,003.62	21,235.24	25,937.94
	Right Issue Proceeds	0.00	0.00	0.00	0.00	0.00	800.00

A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance costs which will adversely impact our profitability. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and our results of operations.

8. *Our actual results could differ from the estimates and projections used to prepare our financial statements.*

The actual results may differ significantly from the estimates and projections used in the preparation of our financial statements. These discrepancies could arise from unforeseen changes in market conditions, economic factors, or operational challenges that were not anticipated during the forecasting process. Such differences may affect the accuracy of our financial reporting and could lead to adjustments in our financial position, results of operations, or cash flows. Additionally, reliance on estimates introduces inherent uncertainty, and any material deviation from projected outcomes could adversely impact investor confidence and the overall financial health of the company.

9. *Our Company has availed certain unsecured loans that are recallable by the lenders at any time.*

Our Company had availed certain secured and unsecured loans and may continue to do so in future that are recallable on demand by the lenders. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenure. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As of September 30, 2024, the long term borrowings is ₹ 11,915.84 lakhs and short term borrowings is ₹ 34,714.53 lakhs. For further details, please refer chapter titled “Financial Information” beginning on page 77 of this Letter of offer.

10. *Our operations are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect the financial results of our Company.*

A significant portion of our revenue and certain costs are denominated in foreign currencies, while our accounts and financial reporting are conducted in Indian Rupees (INR). The company operates internationally and business is transacted in several currencies. For fiscal 2024, the export sales of company comprise around 45% of the total sales of the company. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company’s functional currency.

11. *We have in the past entered into related party transactions and we may continue to do so in the future.*

We have in the past entered into related party transactions with our Subsidiaries, Promoter, Directors, Key Managerial Personnels, Relatives of KMPs and Enterprises over which KMP is able to exercise significant influence. For further details, please refer to the chapter titled - “Financial Statements” on page 77. While we assert that all our related party transactions have been conducted at arm's length, and we confirm compliance with relevant provisions of the Companies Act and other applicable laws, we cannot guarantee that we might not have secured more favourable terms if these transactions had involved unrelated parties.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and

results of operations.

12. *Our success heavily depends on our ability to identify and respond to constantly changing customer demands and preferences.*

Failure to respond to changing trends in customer demands and preferences, whether in India or internationally, could significantly undermine our competitiveness. The success of our company is contingent upon its ability to accurately anticipate, identify, and promptly react to these trends.

Without a proactive and enthusiastic sales team dedicated to addressing customer needs in a timely manner, we may not effectively meet market demands which may have a material adverse effect on our business, cash flows, results of operations, financial condition and prospects.

13. *Continued operations of our manufacturing facilities are critical to our yarn, fabric and garment manufacturing business and any disruption in the operation of our facilities may have a material adverse effect on our business, results of operations and financial condition.*

We operate five manufacturing facilities in the state of Punjab. However, these facilities are subject to various operating risks including machinery unavailability, breakdowns, obsolescence, disruptions in power supply or processes, performance below expected efficiency levels, labor disputes, natural disasters, industrial accidents, and statutory and regulatory restrictions. In the event of machinery breakdown or failure, replacement parts may not be readily available in India leading to unnecessary delays. Such delays could disrupt our production process, adversely affecting our sales, operational results, business growth, and future prospects.

Moreover, our customers in India and abroad heavily depend on the timely delivery of our products, making our ability to maintain an uninterrupted supply essential to our business. Any disruption in the operations of our manufacturing facilities could lead to delays in product delivery or defects in the garments, fabric, and yarn supplied to our customers. Such issues may result in disputes and legal actions against us due to losses incurred by customers or interruptions in their business operations caused by these delays or defects. Consequently, any disruption in our manufacturing operations could adversely affect our business and financial results, influenced by factors including those previously mentioned.

14. *Disruption of logistics and transportation services could impair our ability to deliver our products to our customers and/ or increase our transportation costs, which may adversely affect our operations.*

Our success depends on stable and reliable logistics and transportation infrastructure. We utilize third party transportation services by road and freight for procurement and supply of our products and from/ to our suppliers and customers in addition to own transportation. Any delay or disruption caused to the transportation of materials could adversely impact our ability to procure the materials as well as to meet the delivery schedule of the customers in an economical manner. To ensure timely delivery of our products, we may also be required to maintain a relatively high level of inventory of our products and this may also resultantly increase our cost.

We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

15. *Our success depends heavily upon our individual Promoters for their continuing services, strategic guidance.*

Our success depends heavily upon the continuing services of our promoters Mr. Sanjiv Garg, Mr. Rajiv Garg and Mr. Ujjwal Garg, who are the natural person in control of our Company. They currently serve as Executive Directors and their experience, strategic guidance and vision has played a key role in achieving our current market position. We would depend significantly on our Key Managerial Persons for continuing growth of our Company. If our Executive Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and due to which our business, financial condition, results of operations and prospects may be materially and adversely affected.

16. *Our Company has not entered into any fixed contracts with its customers and we will operate on the basis of orders received on hand. Inability to maintain regular order flow would adversely impact our revenues and profitability.*

Long-term business relationship in turn benefits continuous order.

We have not entered into any fixed contracts with our customers and we cater to them on an order- by-order basis. As a result, our customers can terminate their relationships with us without prior notice, which could have a significant adverse impact on our business. Our customers are not obligated to place orders and may choose to cancel, reduce, or delay them. The orders we receive are influenced by factors such as customer satisfaction with our service, consistency in quality, fluctuations in demand for our products, and the customers' inventory management practices.

While we prioritize quality, competitive pricing, timely delivery, and after-sales support, personal engagement from our management team, etc. In the absence of formal contracts with the customers, any sudden shifts in customer purchasing behaviour could negatively affect our business and profitability.

17. *Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.*

The textiles industry is highly susceptible to seasonal and other market fluctuations that can significantly impact our cash flows and business operations. Demand for certain products may vary depending on seasonal trends, consumer behaviour, and fashion cycles, leading to periods of overstock or understock. Additionally, fluctuations in raw material costs, such as cotton and synthetic fibers, can affect production expenses. Unpredictable weather patterns and shifts in global supply chains may also disrupt operations. These factors introduce uncertainty, making it challenging to manage inventory, forecast revenue, and maintain consistent profitability throughout the year.

18. *We do not maintain long-term contracts with our third-party suppliers, and our business may be adversely affected by a shortfall in supply or increase in price of materials.*

Our company has not entered any long-term contracts with third-party suppliers which exposes us to potential risks. As a result, our business may be adversely affected by any shortfall in the supply of materials or by increases in their prices. Such fluctuations could disrupt our manufacturing processes and negatively impact our cost structure, ultimately affecting our profitability and operational efficiency.

19. *Fluctuations in the prices of raw materials may negatively affect our total cost of goods sold and the profitability of our company.*

Our company primarily sources raw materials from various suppliers for our manufacturing operations, making us entirely dependent on external suppliers for a significant portion of our total costs. The prices of these raw materials are largely determined by market conditions and overall demand, and any increases are generally passed on to our customers. However, if we face unfavourable price fluctuations that we cannot pass on, this could have a material adverse effect on our total production costs. Furthermore, any substantial shortage, disruption in supply, or decline in quality of these raw materials could negatively impact our business operations.

20. *Our manufacturing activities are dependent upon availability of skilled and unskilled labour.*

We rely on the skills, expertise and experience of our workforce. However, employees may choose to terminate their employment prematurely, making retention a challenge. In the textiles industry, there is a high demand for experienced and skilled workers, resulting in intense competition for talent.

Our manufacturing operations are contingent upon the availability of both skilled and unskilled labour. Any shortage of labour or disputes with employees could disrupt our production schedule and impede the timely delivery of products to customers, thereby negatively impacting our business and operational results.

21. *The extent of our insurance coverage may not be sufficient to mitigate all conceivable losses that could potentially affect us. Such inadequacy may impart a material impact on our business and financial condition.*


We are insured for a number of the risks associated with our business such as insurance cover against loss or damage by fire, burglary, vehicles, machinery breakdown, and accidents. We believe that we have got our assets and goods adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

22. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could*

adversely affect our financial condition, results of operations and reputation.

Employee misconduct or mistakes could lead to business risks or losses, including regulatory penalties, and can significantly damage our reputation. We cannot guarantee that we will be able to identify or prevent such misconduct. Additionally, the measures we implement to prevent and detect these activities may not be effective in every situation. Our employees and agents might also make errors that could expose us to claims and legal actions for alleged negligence, as well as regulatory consequences, which could negatively impact our business, financial condition, operational results, and overall reputation.

23. If our Company is unable to protect its intellectual property, our business may be adversely affected.

Our Company is currently using logo,  **GLOBE ACTIVITIES LIMITED**, which is not yet registered in the name of our Company. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. For further details, please refer to the chapters titled “Our Business” and “Government and other Statutory Approvals” on page no. 63 and 89, respectively of this Letter of offer.

24. Our ability to pay dividends in the future will depend upon future earnings, financial condition, working capital requirements or cash flows.

Our prospective capacity to declare dividends will be contingent upon our earnings, financial health, and capital necessities. There is no guarantee that we will generate adequate income to cover operational expenses and distribute dividends to shareholders. The potential to pay dividends is also influenced by our expansion initiatives and our business is working capital intensive. It is plausible that we may not be in a position to distribute dividends in the short or medium term. The formulation of future dividend policies will be contingent upon the capital requirements, financing structures, business plans, financial condition, and operational results.

25. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are obligated to adhere to the rules and regulations stipulated by the Stock Exchange and SEBI pertaining to ongoing listing requirements, as well as the provisions outlined in the Companies Act, 2013 and rules framed thereunder. The occurrence of any non-compliance with these established rules and regulations, or the dissemination of inaccurate information to the Stock Exchange or any legal authority, could lead to the imposition of penalties upon our organization. These penalties have the potential to exert a detrimental impact on our business and operational functions. There has been, on few occasions, inadvertent non-compliances/ delay compliances done by our Company as required under the provisions of SEBI LODR Regulations, Insider Trading Regulations, SEBI Takeover Regulations. We believe, we are in compliance with rules and regulations imposed by the Stock Exchange and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing/ Delay Filing to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

26. The industry in which we operate is highly competitive, and growing competition can affect market share and pricing.

The textile industry is highly competitive, with constant pressure from both established and emerging players. As competition intensifies, it can impact our ability to maintain market share and influence our pricing strategies. Increased competition may lead to price wars, reduced profit margins, or the need for additional investments in innovation, marketing, and customer engagement to differentiate our products. Additionally, competitors may adopt new technologies or trends faster, further challenging our position in the market. Overall, the growing competition within the textile industry presents risks to both profitability and long-term growth potential.

27. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.

We may face challenges in fulfilling orders on time due to factors beyond our control, which could negatively affect our business. Various issues, such as order cancellation, changes in the scope or delivery schedule of orders, whether due to customer decisions or external factors, may be unpredictable. As a result, we cannot guarantee when or if we will be able to deliver the orders as expected. Delays in delivery may also lead to customers postponing or refusing to pay the full amount for the products.

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and revenue of our company. Further, we operate in competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed. For further details of our business, please refer to the chapter titled “Our Business” beginning on Page 63 of this Letter of offer.

28. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

Our ability to collect receivables is crucial to maintain the financial health of our organization. When customers fail to fulfil their payment obligations, it can create significant challenges. Not only does this lead to a reduction in our expected revenues, but it can also disrupt our cash flow, which is vital for day-to-day operations and strategic investments.

If we are unable to collect overdue debts for a long period, it could lead to higher operating costs as we will need to use more resources to follow up on unpaid accounts. This, in turn, may necessitate adjustments in our financial planning, potentially forcing us to rely on external financing or cutback on essential expenditures.

The failure to collect receivables and instances of customer payment defaults could significantly diminish our profit margins and adversely impact our overall cash flow.

29. Our business is dependent on developing and maintaining continuing relationships with our customers. The loss of any significant client or customer could have a material adverse effect on our business, financial condition and results of operations.

Our business relies heavily on fostering and sustaining long-term relationships with our customers. A strong customer base not only provides steady revenue streams but also enhances our market reputation and competitive position. The loss of a significant client or customer could substantially impact our operations, financial stability, and overall performance.

There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them.

30. If we are unable to raise additional capital, our business prospects could be adversely affected.

If we are unable to secure additional capital, it could negatively impact our business outlook. Insufficient funding may limit our ability to invest in growth opportunities, expand operations, or respond to market demands. It could also affect our capacity to manage cash flow, support ongoing projects, or invest in new technologies. Without the necessary capital, we may struggle to stay competitive, meet customer expectations, or adapt to changing market conditions. Ultimately, the lack of additional capital could hinder our long-term sustainability and affect our overall financial health.

31. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have

an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

32. The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue.

Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies, and have not been appraised by an independent entity. In the absence of such independent appraisal, or the requirement for us to appoint a monitoring agency in terms of the SEBI Regulations, the deployment of the net proceeds is at our discretion. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Further, we may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board. Additionally, various risks and uncertainties, including those set out in this "Risk Factors" section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business.

33. In the event there is any delay in the completion of the Rights Issue, there would be a corresponding delay in completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "Objects of the Issue" on page 46 of the Letter of offer. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations.

34. Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations.

In addition, we believe that our ability to implement our business and growth strategies will also depend on our ability to expand the capacity at our existing manufacturing facilities or setting up new manufacturing facilities. Further, the increased installed manufacturing capacity at these facilities may not, in the future, be adequate for us to implement our business and growth strategies. In addition, our proposed expansion plans may be subject to time and cost overruns.

Our inability to maintain our growth or failure to successfully implement our growth strategies within time and cost expectations could have an adverse impact on the results of our operations, our financial condition and our business prospects.

35. A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on domestic, regional, global, economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the country in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial

condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin.

RISK RELATING TO RIGHTS ISSUE

36. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in dilution of Investor's shareholding.

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Rights Issue with respect to such Rights Entitlements. For further information on issue procedure, see "Issue related Information" beginning on page 99.

37. There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

38. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. Tuesday, March 11, 2025. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see "Terms of the Issue" on page 99.

39. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Master Circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 99. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

40. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. The occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

41. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

42. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the BSE Limited during the On Market Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Entitlements will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, therefore the trading of Rights Entitlements may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

EXTERNAL RISK FACTORS

43. *Any future pandemic or widespread public health emergency could materially and adversely impact our business, financial condition, cash flows and results of operations.*

The outbreak, or threatened outbreak, of any severe communicable disease could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of any future pandemic or widespread public health emergency will cause an economic slowdown and it is possible that it could cause a global recession. The spread of any future pandemic or widespread public health emergency will cause us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by

government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which any future pandemic or widespread public health emergency further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The degree to which any future pandemic or widespread public health emergency impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further in case the lockdown is imposed, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

44. *Global economic, political, and social risks may pose challenges to our business, drive up costs, and negatively affect our stock performance.*

Global economic, political, and social risks present significant challenges to our business operations. Economic instability, shifting political landscapes, and social unrest can disrupt supply chains, alter consumer demand, and create regulatory uncertainty. These factors may lead to increased operational costs, reduced profitability, and hinder our ability to meet strategic objectives. Furthermore, such risks can have a direct impact on investor confidence, potentially affecting our stock price and market valuation. As a company, we are actively monitoring these global risks and implementing strategies to mitigate their impact, but their unpredictability remains a key concern for our long-term growth.

45. *Any changes in the regulatory framework could have an adverse impact on our operations and growth prospects.*

Our Company is subject to various regulations and policies. Our business and prospects could be adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations. As a result, our ability to scale operations, expand into new markets, or achieve growth targets could be hindered. We closely monitor regulatory trends and engage in proactive risk management, but the uncertainty of future regulatory changes remains a key concern.

46. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain uncontrollable events, such as earthquakes, fires, floods, and other natural disasters, may disrupt our business operations. Additionally, changes in government policies, taxation, and any adverse social, ethnic, political, or economic developments within India could negatively impact our operational efficiency and financial performance. These factors could also lead to regulatory changes, increased costs, and potential damage to assets. Such disruptions may undermine investor confidence, negatively affect revenue, and hinder long-term growth. While we actively monitor these risks, their unpredictability remains a significant concern for our business.

47. *Our majority Revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.*

We derive majority of our revenue from our operations in India and, consequently, our performance and the growth of our business is dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

48. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.*

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

49. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors including results of operations, business performance, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

50. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates or slabs will remain unchanged in the future. Any changes to these tax rates or slabs could have an adverse impact on our financial condition and operational performance.

51. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events beyond our control, could significantly impact India's economy and our business. Events such as terrorist attacks in India, as well as incidents like those in the United States, Indonesia, Madrid, and London, may negatively affect both the Indian stock market, where our equity shares are traded, and global equity markets in general. Such acts could harm business confidence and disrupt international trade, which in turn could adversely affect the Company's operations and profitability. Furthermore, these events could have a significant negative impact on the market for securities of Indian companies, including our equity shares.

52. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.*

An outbreak of infectious or dangerous diseases, such as severe acute respiratory syndrome (SARS), COVID-19, H1N1, avian influenza (bird flu), Zika virus, or Ebola, if not controlled, could negatively impact the economies of certain countries and our operations. If any of our employees, or those of our suppliers and/or customers, become infected, or if a large portion of our workforce refuses to work due to fear of infection, our company, suppliers, and/or customers may need to temporarily shut down operations. This could harm our business, financial performance, and overall condition.

This space has been left blank intentionally

SECTION IV- INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on September 03, 2024, in pursuance of Section 62(1)(a) of the Companies Act, 2013.

Following table summarizes the present Issue in terms of this Letter of offer:

Equity Shares outstanding prior to the Issue	66,42,800 (Sixty-Six Lakh Forty-Two Thousand Eight Hundred) Equity Shares
Rights Equity Shares offered in the Issue	39,85,680 (Thirty-Nine Lakhs Eighty-Five Thousand Six Hundred and Eighty) Rights Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	1,06,28,480 (One Crore Six Lakhs Twenty-Eight Thousand Four Hundred and Eighty) Equity Shares
Rights Entitlement	03 (Three) Rights Shares for every 05 (Five) fully paid-up Equity Shares held on the Record Date
Record Date	Tuesday, February 18, 2025
Face Value per Equity Share	₹ 10 each (Rupees Ten Only)
Issue Price per Equity Share	₹ 25 (Rupees Twenty-Five Only) including a premium of ₹ 15 (Rupees Fifteen Only) per Rights Equity Share.
Issue Size (Assuming full subscription for the Issue)	Up to ₹ 996.42* Lakhs (Rupees Nine Ninety-Six Point Four Two Lakhs Only)
Fractional Entitlement	<p>The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 03 (Three) Equity Share for every 05 (Five) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 05 (Five) Equity Shares or not in the multiple of 05 (Five) Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement.</p> <p>However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlements applied for. Further, the Eligible Equity Shareholders holding less than 05 (Five) Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.</p>
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on page 99 of this Letter of offer.
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 46 of this Letter of offer.
Security Code/ Scrip Details	ISIN: INE244E01018 MSEI Scrip ID: GARG ISIN for Rights Entitlements: INE244E20018

TERMS OF PAYMENT

Amount payable per Rights Shares	Face Value	Premium	Total
----------------------------------	------------	---------	-------

On Application	₹ 10.00	₹ 15.00	₹ 25.00*
Total	₹ 10.00	₹ 15.00	₹ 25.00

*Constitutes 100 % (Hundred percent) of the Issue Price.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	Thursday, February 27, 2025
Last date for On Market Renunciation of Rights	Monday, March 10, 2025
Issue Closing Date*	Thursday, March 13, 2025

*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

This space is intentionally left blank

GENERAL INFORMATION

Our Company was originally incorporated as “Mercury Finance and Leasing Company Limited” under the provision of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 22, 1983, granted by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “Mercury Ispat Udyog Limited” and a fresh certificate of incorporation consequent upon change of name was issued on May 08, 1986 by the Registrar of Companies, Delhi & Haryana. Further, the name of the company was changed to “Garg Industries Limited” vide certificate of incorporation dated August 09, 1994 issued by the Registrar of Companies, NCT of Delhi and Haryana. Thereafter, the name of our company got changed to Garg Acrylics Limited vide certificate of incorporation dated March 12, 1999 issued by the Assistant Registrar of Companies, NCT of Delhi & Haryana. The Corporate Identification Number of our company is L74999DL1983PLC017001.

Our Company Related Information

Company	Garg Acrylics Limited
Registered Office Address	A-50/1, Wazirpur Industrial Area, Delhi- 110052, India
Corporate Office Address	Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India
Contact Details	0161- 4692500
Email-ID	gargaacrylics@yahoo.com
Website	www.gargltd.com
Corporate Identification Number	L74999DL1983PLC017001
Registration Number	017001

Designated Stock Exchange

Our Company’s Equity Shares are listed on Metropolitan Stock Exchange of India (“MSEI”).

Metropolitan Stock Exchange of India Limited (MSEI)

205 (A), 2nd Floor, Piramal Agastya Corporate Park,
Kamani Junction, LBS Road, Kurla (West), Mumbai-100070

Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, Delhi located at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi- 110019, India.

Board of Directors

Our Company’s board comprises of the following Directors:

Name	DIN	Designation	Age	Residential Address
Mr. Sanjiv Garg	00217156	Chairman & Managing Director	64 years	House No. 259, South City, Janpath Farms, Ayali Kalan, Ludhiana, Punjab- 142027
Mr. Rajiv Garg	00444558	Managing Director	58 years	House No. 1, Pushp Vatika, Carlton Woods, South City, Ayali Kalan, Ludhiana, Punjab- 142027
Mr. Ujjwal Garg	01234439	Whole- Time Director	39 years	House No. 259, South City, Janpath Farms, Ayali Kalan, Ludhiana, Punjab- 142027
Mr. Sanjay Sahni	08364951	Independent Director	55 Years	G-11/3, Ground Floor, Malviya Nagar S.O., South Delhi, Delhi- 110017

Mr. Avnish Dhingra	09102065	Independent Director	36 Years	House No. 3940/1, Street No.- 10, New MadhoPuri, Basti Jodhewal, Ludhiana, Punjab- 141007
Ms. Misha Nayar	09110365	Independent Director	58 Years	Rose Enclave, Dad, Ludhiana, Punjab- 142022

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 73 of this Letter of offer.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Company Secretary and Compliance Officer	Chief Financial Officer
Ms. Priya Rani Address: Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India Contact Details: 0161- 4692500 Email-ID: gargacrylics@yahoo.com	Mr. Ramandeep Singh Address: Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India Contact Details: 0161- 4692500 Email-ID: gargacrylics@yahoo.com
Registrar to the Company and Issue	
Skyline Financial Services Private Limited D-153A, Ist Floor, Okhla Industrial Area, Phase – I, New Delhi- 110020 Contact No. : 011-40450193-197 Fax No.: 011-26812683 E-mail ID: ipo@skylinerta.com Investor grievance e-mail: grievances@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration Number: INR000003241 CIN: U74899DL1995PTC071324	
Statutory and Peer Review Auditor	Legal Advisor to the Issue
M/s. Kamboj Malhotra & Associates (Formerly known as Malhotra Manik & Associates) B-XX-2815. IInd Floor, Gurdev Nagar, Pakhowal Road, Ludhiana, Punjab- 141001 Firm Registration No.: 015848N Peer Review No.: 017682 Contact No.: 98550-37608 E-mail ID: mmasso123@gmail.com Contact Person: CA Amarjit Kamboj	Puneet Gupta, Advocate Legal Advisor Chamber No. 621, 6 th Floor, Lawyer's Chamber Complex, District Courts, Ludhiana, Punjab Bar Council No.: B/1322.2016 Mobile no.: 9417587737 Email ID: puneetgupta0707@yahoo.com Contact Person: Puneet Gupta
Advisors to the Issue	
Fintellectual Corporate Advisors Private Limited B-20, Second Floor, Sector-1, Noida-201301, Uttar Pradesh, India Tel: +91-120-4266080 Email ID: info@fintellectualadvisors.com Investor Grievances E-mail: investors@fintellectualadvisors.com Website: www.fintellectualadvisors.com Contact Person: Mr. Amit Puri/ Mr. Pramod Negi SEBI Registration Number: INM000012944 CIN: U74999DL2021PTC377748	
Bankers to the Issue/ Refund Banker	Banker to the Company
HDFC Bank Limited FIG- OPS Department- Lodha, I Think Techno Campus, 0-3 Level, next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042. Contact Person: Mr. Siddharth Jadhav E-mail ID: Siddharth.Jadhav@hdfcbank.com Contact Details: 022-30752927/28/2914 Website: www.hdfcbank.com	Punjab & Sind Bank Saban Bazar, Ludhiana Contact Person: Mr. Gaurav Chauhan E-mail ID: 10002@psb.co.in Contact Details: 9815922780 Website: punjabandsindbank.co.in

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS

There has been no changes in the statutory auditors of our Company in past 3 (three) financial years.

INVESTORS GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Rights Issue or post-Rights Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled 'Terms of the Issue' beginning on page 99 of this Letter of offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked, and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

EXPERT TO THE ISSUE

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors- M/s. Kamboj Malhotra & Associates (Formerly known as Malhotra Manik & Associates), Chartered Accountants, to include their name in this Letter of offer as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated October 25, 2024, included in this Letter of offer, and such consent has not been withdrawn as of the date of this Letter of offer.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Monday, February 24, 2025
Issue Opening Date	Thursday, February 27, 2025
Last Date for On Market Renunciation of Rights Entitlements#	Monday, March 10, 2025
Issue Closing Date*	Thursday, March 13, 2025
Finalization of Basis of Allotment (on or about)	Monday, March 24, 2025
Date of Allotment (on or about)	Monday, March 24, 2025
Date of credit (on or about)	Monday, March 31, 2025
Date of listing (on or about)-	Thursday, April 03, 2025

Note:

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

*Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to

our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Tuesday, March 11, 2025 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., Wednesday, March 12, 2025.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '*Terms of the Issue*' beginning on page 99 of this Letter of offer. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.skylinerta.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see '*Credit of Rights Entitlements in demat accounts of Eligible Shareholders*' under the section titled '*Terms of the Issue*' beginning on page 99 of this Letter of offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As the proposed Rights Issue is of Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As the proposed Rights Issue is of Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Rights Issue size does not exceed ₹100 crores, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations. However, the board of directors of our company would be monitoring the utilization of the proceeds of the issue.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Rights Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

FILING

Since the size of this Issue falls under the threshold as prescribed under Regulation 3 of the SEBI (ICDR) Regulations, the Letter of offer had been filed with MSEI where the rights equity shares are proposed to be listed and will not be filed with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination.

MINIMUM SUBSCRIPTION

Some of the Promoters of the Company have, vide their letters dated September 17, 2024 ("Participation Letters") indicated that they will subscribe to the full extent of their Rights Entitlements. Further, certain promoters have also undertake that they shall subscribe in full to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled “Objects of the Issue” on page 46 of this Letter of offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

This space has been left blank intentionally

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of the Letter of offer, prior to and after the proposed Right Issue, is set forth below:

(₹ in Lakhs)

Sl. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issuer Price
A	Authorised Share Capital		
	2,12,00,000 (Two Crores Twelve Lakhs) Equity Shares having face value of ₹ 10.00/- each		
	1,00,00,000 (One Crore) 6% Non-Cumulative Redeemable Preference Shares having face value of ₹ 10.00/- each	3,120.00	7,800.00
B	Issued, Subscribed & Paid-up Share Capital prior to the Rights Issue		
	66,42,800 (Sixty-Six Lakh Forty-Two Thousand Eight Hundred) Equity Shares having face value of ₹10.00/- each fully paid up before the issue	664.28	1,660.70
C	Present Rights Issue in terms of this Letter of offer		
	Issue of upto 39,85,680 (Thirty-Nine Lakhs Eighty-Five Thousand Six Hundred and Eighty) equity shares of ₹10/- each at a price of ₹25/- each per equity share	398.57	996.42
D	Issued, Subscribed & Paid-up Share Capital after the Rights Issue #		
	1,06,28,480 (One Crore Six Lakhs Twenty-Eight Thousand Four Hundred and Eighty) Equity Shares having face value of ₹10.00/- each fully paid up before the issue	1,062.85	2,657.12
E	Securities Premium Account		
	Before the Issue		7,636.57
	After the Issue#		8,234.42

#Assuming full subscription for allotment of Rights Equity Shares.

Note: The present Rights Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on September 03, 2024.

Notes on Capital Structure

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of offer.
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- As on the date of this Letter of offer, our Company has not issued any special voting rights shares and there are no outstanding Equity Shares having special voting rights.
- The ex-rights price, calculated in accordance with the formula prescribed under Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue, is ₹ 249.22/- (Rupees Two Hundred and Forty-Nine and Paise Twenty-Two Only).

Disclaimer: As there is no active trading in the equity shares of the Company on MSEI, for the purpose of calculating the ex-rights price in accordance with Regulation 10(4)(b) of the SEBI (SAST) Regulations, the last available traded price of the Company has been considered instead of the current market price.

5. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares

As on the date of this Letter of offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

6. Details of stock option scheme of our Company

As on the date of this Letter of offer, our Company does not have a stock option scheme.

7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

As on the date of this Letter of offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of offer

Name of the Promoter	Date of the transaction	Number of Equity shares acquired/sold	Seller	Nature of the Transaction
Renu Garg	28.03.2024	3,30,000	Ashwani Kumar Aggarwal	Transfer

9. Intention and participation by the promoter and promoter group

Some of our Promoters and members of the Promoter Group of our Company through its letters dated September 17, 2024, have confirmed that they intend to subscribe to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, some Promoters and some of members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters and members of our Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

10. Shareholding Pattern of our company

a) The shareholding pattern of our Company as on December 31, 2024 is as follows:

Particulars	MSEI URL
Summary statement holding of specified securities	https://www.msei.in/markets/equity/get-quotes/default?symbol=GARG&series=EQ
Statement showing shareholding pattern of the Promoter and Promoter Group	

Statement showing shareholding pattern of the Public shareholder	
Statement showing shareholding pattern of the Non Promoter- Non Public shareholder	
Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.	

b) Details of shareholders holding more than 1% of the pre-Issue paid up Equity capital.

The details of shareholders of our Company holding more than 1% of the issued and paid -up Equity Share capital of our Company, as on December 31, 2024 are available on the website of MSEI at <https://www.msei.in/XBRLViewer/fmSHPSummary?Symbol=GARG&qtrid=131.00&reclId=27191>

This space is intentionally left blank

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects:

1. Working Capital Requirement
2. General Corporate Purpose; and
3. Issue Expenses

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities for which the funds are being raised through Rights Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

In addition to the aforementioned objects, our Company intends to strengthen its capital base.

ISSUE PROCEEDS:

The details of Issue Proceeds are set forth in the following table:

(Amount in ₹ Lakhs)

Particulars	Amount
Gross Proceeds from the Issue*	996.42 [#]
Less: Estimated Issue related Expenses	35.00
Net Proceeds from the Issue	961.42

[#] Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

FUND REQUIREMENTS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Requirement of Funds

(Amount in ₹ Lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds in FY 2024-25	Estimated deployment of Net Proceeds in FY 2025-26
1)	Working Capital Requirement	800.00	-	800.00
2)	General Corporate Purpose	161.42	-	161.42
	Total of Net Proceeds	961.42	-	961.42

[#] The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, taxes and duties, working capital margin and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards meeting incremental working capital requirements is lower than the proposed deployment, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects as per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects.

The above-stated fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or independent agency. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. In case the Net Proceeds are not completely utilised in a scheduled financial year due to any reason, the same would be utilised (in part or full) in the next financial year / subsequent financial year as may be determined by our Company, in accordance with applicable law. For further details, see '*Risk factors – The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue*' on page 31.

No part of the issue proceeds will be paid as consideration to Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

DETAILS OF THE OBJECTS OF THE ISSUE

1) TO MEET INCREMENTAL WORKING CAPITAL REQUIREMENTS:

We are engaged in manufacturing of yarn, garments, fabrics.

As on March 31, 2024 the Company's net working capital consisted of ₹ 58,330.11 Lakhs as against the ₹ 57,090.33 Lakhs as on March 31, 2023. The total working capital requirement for F.Y. 2024-25 is estimated to be ₹ 64,060.24 Lakhs. As on the date of this Letter of offer we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, working capital loans and other banking facilities from the Banks.

Basis of estimation of working capital requirement and estimated working capital requirement:

(Amount in Lakhs)							
Sr. No.	Particulars	Year Ended	Year Ended	Year Ended	Period Ended	Year Ended	Year Ended
		31st March, 2022	31st March, 2023	31st March, 2024	30th September, 2024	31st March, 2025	31st March, 2026
I.	Current Assets						
1.	Inventories	39,952.64	37,062.01	40,100.87	28,485.86	41,598.25	43,883.52
2.	Current Investments	92.72	89.52	89.54	126.09	130.00	130.00
3.	Trade Receivables	23,671.99	17,651.29	19,769.64	18,777.18	21,652.00	22,917.00
4.	Cash and Cash Equivalents	482.58	490.89	649.98	735.86	860.00	900.00
5.	Other Current Financial Assets	1,458.29	1,426.39	433.07	63.65	70.00	80.00
6.	Other Current Assets	8,030.70	6,214.22	7,336.69	10,384.00	7,426.18	10,359.50
	Total Current Assets	73,688.92	62,934.32	68,379.79	58,572.64	71,736.43	78,270.02
II.	Current liabilities						
1.	Trade payables	6342.56	4,176.01	8,698.75	4,502.99	6,375.21	6,697.77
2.	Other Financial Liabilities	913.84	16.09	110.85	-	-	-
3.	Other Current Liabilities	2063.73	1,410.75	1,048.80	1,159.72	625.00	1,880.00
4.	Provisions	192.73	205.66	191.28	191.78	200.00	200.00
5.	Current Tax Provisions (Net)	1765.54	35.48	-	-	475.98	1,254.31
	Total Current Liabilities	11,278.40	5,843.99	10,049.68	5,854.49	7,676.19	10,032.08
III.	Total Working Capital	62,410.52	57,090.33	58,330.11	52,718.15	64,060.24	68,237.94

IV.	Funding Pattern						
	Short Term Borrowings	36,236.76	34,420.09	40,757.68	34,714.53	42,825.00	41,500.00
	Internal Accruals	26,173.76	22,670.24	17,572.43	18,003.62	21,235.24	25,937.94
	Right Issue Proceeds	0.00	0.00	0.00	0.00	0.00	800.00

As per our estimates we would require ₹ 800.00 Lakhs out of the issue proceeds to meet the working capital requirements.

The incremental working capital requirements and deployment are based on projected data, based on the experience of our management team and our internal management appraisal and estimation of the future requirements considering the growth in the activities of our Company. The projections are progressive and depend on various market, economic and geopolitical and global factors. Hence, it may vary substantially on either side, or any judgments or decision can be taken only after considering all these risk factors.

Key Assumptions for working capital projections made by Company:

Particulars	Nos. of Days					
	March 31, 2022	March 31, 2023	March 31, 2024	September 30, 2024	March 31, 2025 (Projected)	March 31, 2026 (Projected)
Inventories	125	123	125	87	123	126
Trade Receivables	45	40	45	40	45	45
Trade Payables	18	14	27	17	18	19

Justification of Holding Level

Inventories	Inventories of our company majorly includes cotton fibre & synthetic fibre (Acrylic, Polyester, Nylon, Viscose etc.) The Company maintained inventory in respect of its operations and inventory holding period is between 123 days to 125 days during the financial year from March 31, 2022 to March 31, 2024. The Inventory holding days for period ended September 30, 2024 was 87 days. In line with the previous trend the management has projected Inventory Holding Days for March 31, 2025 and March 31, 2026 is 123 days and 126 respectively.
Trade Receivables	Trade receivables represent the amounts owed to the Company by customers following product sales. The Trade Receivables Collection period was 45 days, 40 days and 45 days for FY 2021-22, FY 2022-23 and FY 2023-24 respectively. The Trade Receivable Collection period for period ended September 30, 2024 was 40 days. We estimated the trade receivables holding period to be approximately 45 days for FY 2024-25 and FY 2025-26 as per the company's projections and likely trends.
Trade Payables	Our trade payables holding period in FY 2021-22, FY 2022-23 and FY 2023-24 were 18 days, 14 days and 27 days respectively. Further, The Trade Payable period for period ended September 30, 2024 was 17 days. We are considering to further lowering down the holding period of trade payables to 18 days and 19 days for FY 2024-25 and FY 2025-26 respectively. Reasons for Reducing the creditor Days: Competitive Edge: By reducing the trade payables period, we position ourselves more favorably in the market, enhancing our reputation as a reliable business partner. Priority and Reliability: Shortening our payment cycles strengthens relationships with key suppliers, ensuring we receive priority treatment and reliable supplies, especially as we

expand our product lines and markets.

Better Negotiation: Stronger supplier relationships and quicker payments will provide us with better leverage to negotiate favourable terms, discounts, and credit facilities, ultimately enhancing our cost efficiency.

Vendor Requirements: Some of our suppliers require shorter payment terms for continued partnership. Meeting these terms is essential for an uninterrupted supply of critical materials and fostering long-term relationships with these vital partners.

2) GENERAL CORPORATE PURPOSE:

The application of the Issue proceeds for general corporate purposes would include but not be restricted to financing our working capital requirements, or otherwise acquiring business premises, meeting exigencies etc. which we in the ordinary course of business may incur. Our Management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to use ₹ 161.42 lakhs for general corporate purposes.

3) ISSUE EXPENSES:

The total Issue related expenses are estimated to be approximately ₹ 35 Lakhs. The issue related expenses include fees payable to the Legal Counsel, amount payable to the regulators including the SEBI, the stock exchange, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the stock exchange. Our Company will need approximately ₹ 35 Lakhs towards these expenses, a break-up of the same is as follows: The break-down of the estimated Issue expenses is disclosed below.

(Amount in ₹ Lakhs)

Sr. No.	Particulars	Amount* ^	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)#
1.	Fees of the Registrar to the Issue, Legal Advisor, Bankers to the Issue, Auditor's fees, including out of pocket expenses etc.	15.50	44.29%	1.56%
2.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	3.50	10.00%	0.35%
3.	Regulatory fees, filing fees, listing fees and other miscellaneous expenses	16.00	45.71%	1.61%
	Total estimated issue expenses	35.00	100.00%	3.51%

*Subject to finalization of the Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

^Excluding taxes

#Assuming full subscription

Means of Finance

(Amount ₹ in Lakhs)

Particulars	Amount
Gross Proceeds of the Issue	Upto 996.42 *

* Assuming full subscription

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not

applicable.

Appraisal Report

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions/banks.

Bridge Financing Facilities

We have currently not raised any bridge loans against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Issue Proceeds.

Interim Use of Funds

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above from the Rights Issue, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties, except in the ordinary course of business.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies.

Variation on Objects

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Our promoter or controlling shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed by SEBI, in this regard.

Shortfall of Funds

In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

Monitoring of Issue proceeds

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on quarterly basis disclose to the Audit Committee the Application of the proceeds of the Issue. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis a statement on material deviations, if any, in the utilization of the Issue proceeds from the objects of the Issue as stated above.

Interest of Promoters, Promoter Group and Directors as applicable to the Objects of the Issue

The Promoters and Promoter Group of our Company amongst themselves, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Directors or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

This space is intentionally left blank

STATEMENT OF POSSIBLE TAX BENEFITS

KAMBOJ MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS

B - XX- 2815, IInd Floor, Gurudev Nagar,
Pakhawal Road, Ludhiana (PB) - 141001
Mobile No. 98550-37608, 98140-22781
E-Mail: mmasso123@gmail.com

INDEPENDENT PRACTITIONER'S REPORT ON STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,
Garg Acrylics Limited
A-50/1, Wazirpur Industrial Area,
Delhi- 110052, India

Dear Sir/ Madam,

Subject: Statement of possible Tax Benefits available to Garg Acrylics Limited and its shareholders in connection with the proposed Rights Issue of equity shares of the face value of Rs. 10/- each (hereinafter referred to as "Issue" or "Rights Issue") pursuant to SEBI – ICDR Regulations, 2018 as amended and the Companies Act, 2013 as amended.

This certificate is issued in accordance with the terms of our engagement letter dated 27th August, 2024.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial compiled with the relevant applicable requirements of the Standard on Information and Other Assurance and Related Services Engagements,' issued by the ICAL.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Act, 1961 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II are available to the Company and its shareholders. We hereby confirm that the enclosed Annexure, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.



Page 1 of 4

We hereby consent to the extracts of this certificate being used in the Letter of Offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Company in connection with the Issue and in accordance with applicable law, and for the purpose of any defence the Company may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may also be relied upon by the Company, their affiliates and the legal counsel in relation to the Issue.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For KAMBOJ MALHOTRA & ASSOCIATES,
CHARTERED ACCOUNTANTS
(Firm Regn. No. 016645N)



CA AMARJIT KAMBOJ
PARTNER
Membership No. 062152
UDIN : 24082152BKDUYM4554



Place: Ludhiana

Date: 25.10.2024

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO GARG ACRYLICS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Income Tax Act, 1961 ('Act')

- a. **Special tax benefits available to the Company under the Act**
There are no special tax benefits available to the Company.
- b. **Special tax benefits available to the shareholders under the Act**
There are no special tax benefits available to the shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For GARG ACRYLICS LIMITED


Sanjiv Garg
Managing Director
DIN : 00217156

Place: Ludhiana
Date: 25.10.2024



STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO GARG ACRYLICS LIMITED ("COMPANY") AND ITS SHAREHOLDERS

1. Under the Central Goods and Services Tax Act, 2017/ the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')

- a. **Special tax benefits available to the Company under the Indirect Tax**
There are no special tax benefits available to the Company.
- b. **Special tax benefits available to the shareholders under the Indirect Tax**
There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

- 1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
- 2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
- 3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
- 4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For GARG ACRYLICS LIMITED


Sarjiv Garg
Managing Director
DIN : 00217158

Place: Ludhiana
Date: 25/10/2024



SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also be based on their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

Global Economic Overview

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025.

Services inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher for even longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. The policy mix should thus be sequenced carefully to achieve price stability and replenish diminished buffers.

Global activity and world trade firmed up at the turn of the year, with trade spurred by strong exports from Asia, particularly in the technology sector. Relative to the April 2024 WEO, first quarter growth surprised on the upside in many countries, although downside surprises in Japan and the United States were notable. In the United States, after a sustained period of strong outperformance, a sharper-than-expected slowdown in growth reflected moderating consumption and a negative contribution from net trade. In Japan, the negative growth surprise stemmed from temporary supply disruptions linked to the shutdown of a major automobile plant in the first quarter. In contrast, shoots of economic recovery materialized in Europe, led by an improvement in services activity. In China, resurgent domestic consumption propelled the positive upside in the first quarter, aided by what looked to be a temporary surge in exports belatedly reconnecting with last year's rise in global demand. These developments have narrowed the output divergences somewhat across economies, as cyclical factors wane and activity becomes better aligned with its potential.

Meanwhile, the momentum on global disinflation is slowing, signaling bumps along the path. This reflects different sectoral dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods (Figure 1). Nominal wage growth remains brisk, above price inflation in some countries, partly reflecting the outcome of wage negotiations earlier this year and short-term inflation expectations that remain above target. The uptick in sequential inflation in the United States during the first quarter has delayed policy normalization. This has put other advanced economies, such as the euro area and Canada, where underlying inflation is cooling more in line with expectations, ahead of the United States in the easing cycle. At the same time, a number of central banks in emerging market economies remain cautious in regard to cutting rates owing to external risks triggered by changes in interest rate differentials and associated depreciation of those economies' currencies against the dollar.

Global financial conditions remain accommodative. Although longer-term yields have generally drifted upward, in tandem with the repricing of policy paths, buoyant corporate valuations have kept financial conditions accommodative, broadly at



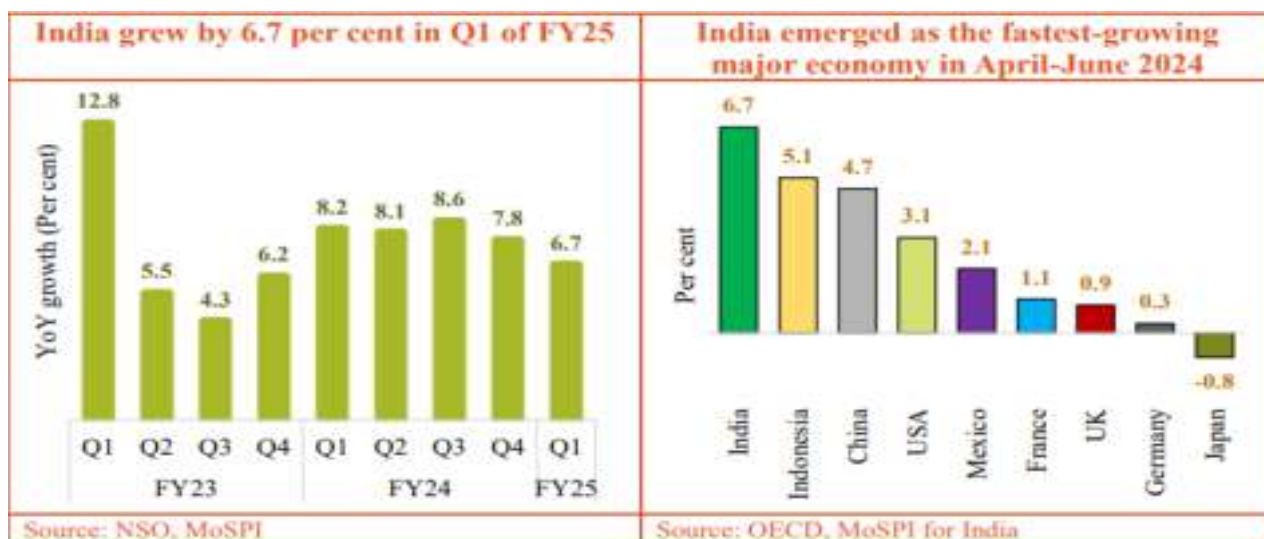
the level of the April WEO (see Box 1). The increase in yields is likely to put pressure on fiscal discipline, however, which in some countries is already strained by the inability to rein in spending or raise taxes.

Source: International Monetary Fund, World Economic Outlook Update, July 2024

Indian Economic Outlook

The World Economic Outlook of the IMF released in July 2024 projected global growth to be 3.2 per cent in 2024, a shade lower than the pre-pandemic decade. Relative to the April 2024 projections of the IMF, the first quarter growth surprised many countries on the upside. Gradual cooling of labour markets, together with an expected decline in energy prices, can bring global levels of headline inflation back to the target levels by the end of 2025. Global trade moderated due to rising geopolitical tensions, cross-border restrictions, supply chain disruptions and slower growth in advanced economies. Developments in the services trade have been more upbeat, partly offsetting the decline in goods trade. Trade growth is expected to recover in FY25 and align with global GDP growth again.

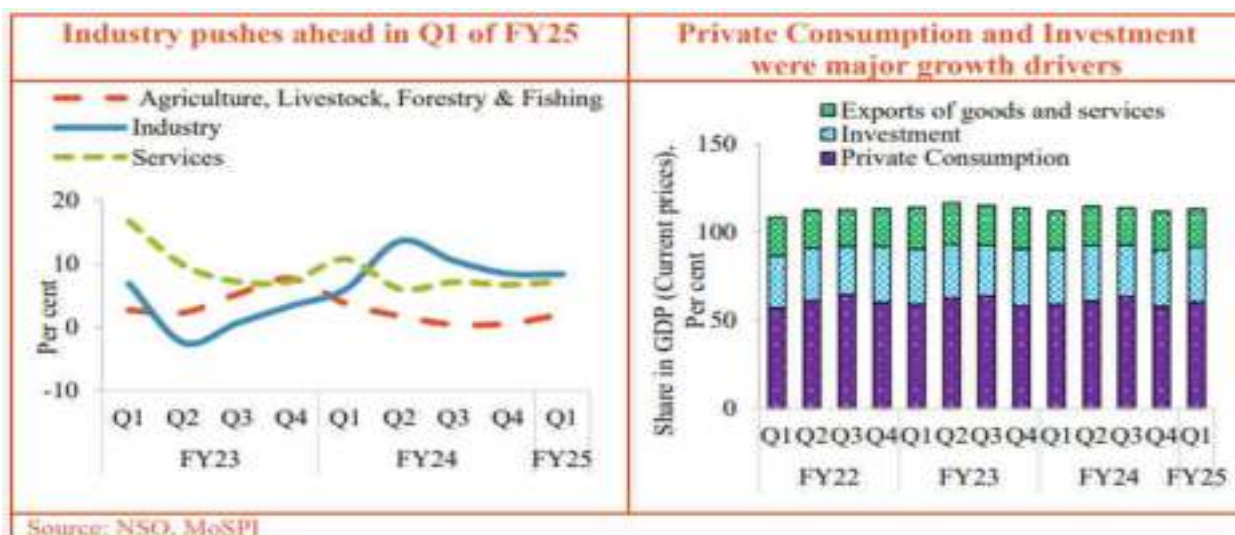
Data released by the National Statistical Office has estimated that India’s GDP grew by 6.7 per cent at constant prices in Q1 FY25. India’s growth, which surpassed that of major advanced and emerging economies, remains steady in the face of ongoing global headwinds. It is important to exercise caution while interpreting economic growth rates in the post-Covid years. In India’s case, after the pandemic-inflicted, short-lived downslide, pent-up consumption and investment demand gave an immediate boost to growth in FY22 and FY23, which carried forward to FY24. Growth averaged 8.3 per cent in these three years. We have analysed these patterns and concluded that the gap between the current GDP and its pre-pandemic trend has been progressively closing. The GDP level was close to the pre-pandemic trajectory in Q4FY24. Thus, the growth rate of 6.7 per cent achieved in Q1FY25 on a reasonably high base and amidst an unfavourable external demand situation is a sign of the underlying dynamism and strength of the Indian economy.



Demand & Supply:

Robust domestic consumption and investment underpinned GDP growth in Q1. Private final consumption expenditure (PFCE) and gross fixed capital formation (GFCF) at constant prices grew by 7.4 per cent and 7.5 per cent, respectively, while exports (of goods and nonfactor services) increased by 8.7 per cent. The share of private final consumption in GDP (at current prices) rose to 60.4 per cent in Q1 of FY25 from 57.9 per cent in Q4 FY24, while the shares of GFCF and exports remained steady.

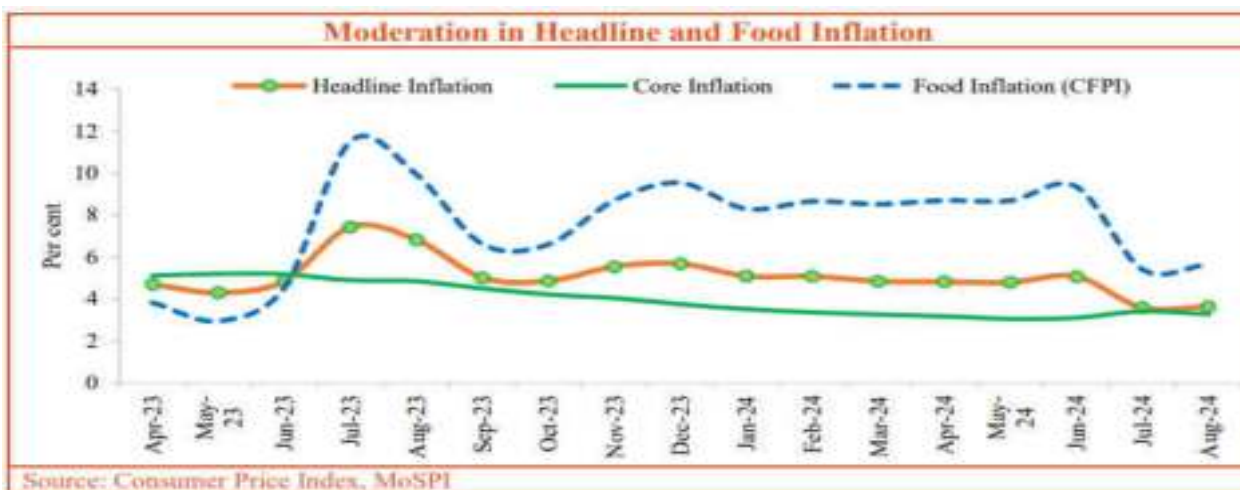
The decline in the urban unemployment rate and improvements in rural incomes contributed to consumption growth. According to the Federation of Automobile Dealers Association’s August 2024 press release, retail sales of vehicles in rural areas have picked up by 4.8 per cent in August on a YoY basis. On the GFCF front, it is clear that household and private investment supported the growth, as the capital expenditures of both the Union and state governments were lower in Q1 FY25 because the period was an election quarter. Government expenditure is poised to improve in the upcoming quarters.



On the supply side, real gross value added (GVA) grew by 6.8 per cent in Q1FY25, with the industry and services sector displaying resilience. Agricultural GVA at constant prices grew at 2.0 per cent YoY, mostly reflecting the impact of the adverse weather conditions that prevailed during the previous year. As the effect of favourable and more even distribution of monsoon gets captured in this year's output, the overall agricultural output in the subsequent quarters is likely to strengthen.

Inflation:

Retail inflation remains benign at 3.7 per cent in August 2024, driven by softer food and core inflation. Major items of food inflation, such as cereals, meat & fish, milk, sugar and spices, saw a decline in inflation. The inflation rate in vegetables increased in August due to the elevated inflation rate in potatoes and onions. Food inflation in August stood at 5.7 per cent, a modest increase from July, yet notably lower than the 8.9 per cent experienced in Q1 of FY25. Inflation in the fuel & light group continued to remain in the deflationary zone for the 12th consecutive month. The core inflation, which excludes food and fuel, remained low at 3.3 per cent in August. Overall, retail inflation in April-August 2024 has significantly declined to 4.4 per cent compared to 5.6 per cent in the corresponding period of the previous year. Core inflation eased to 3.2 per cent compared to 5.1 per cent in the corresponding period of FY23.



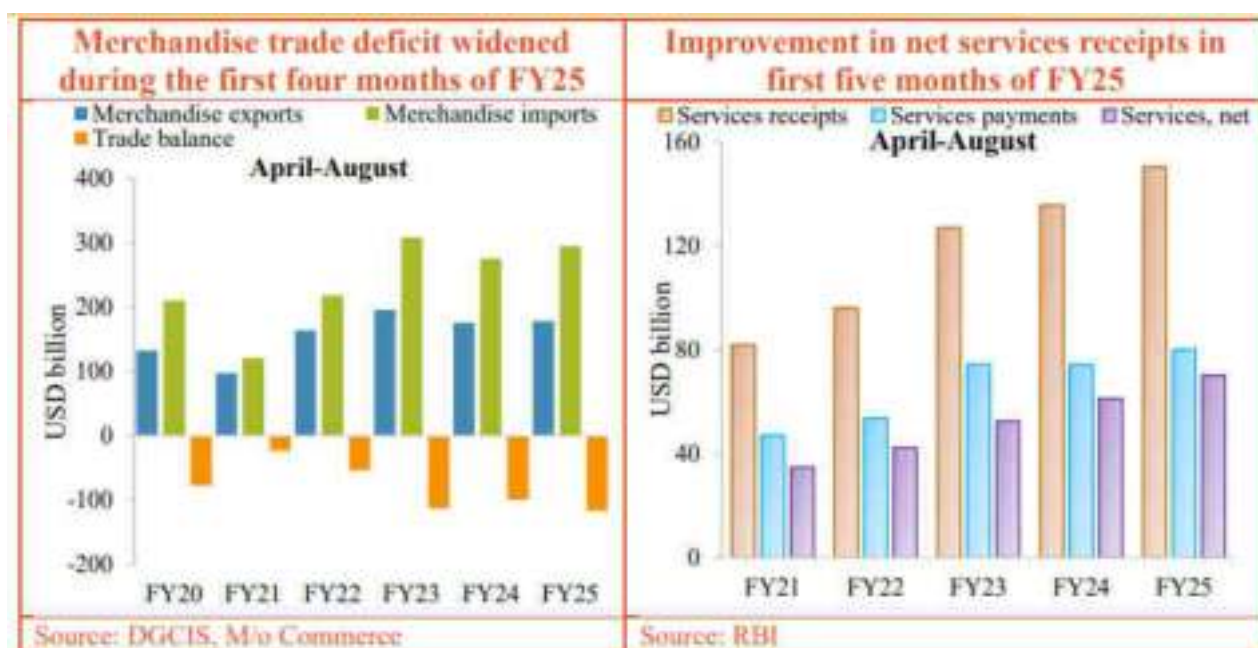
Import & Export:

India's merchandise exports registered YoY growth of 1.1 per cent in the first five months of FY25. However, non-petroleum & non-gems & jewellery exports remained robust, growing by 5.3 per cent over this period. Engineering goods, petroleum products, electronic goods, drugs & pharmaceuticals, and organic & inorganic chemicals accounted for around 65 per cent of the merchandise exports in the first five months of FY25. Netherlands, USA, UAE, Malaysia, and Singapore emerged as major export destinations.

Owing to a rise in domestic demand and a positive base effect, merchandise imports grew faster than exports, by 7.1 per cent, in the first five months of FY25. Petroleum products, electronic goods, machinery & electrical, gold and coke, coal &

briquettes accounted for around 60 per cent of merchandise imports in the first five months of FY25. UAE, Russia, China, Switzerland and Taiwan emerged as major importing partners.

Due to a larger increase in imports than exports, the merchandise trade deficit widened from USD 99.2 billion in April August 2023 to USD 116.7 billion during the corresponding period of FY25.



India’s services exports grew by 10.8 per cent in the first five months of FY25 (April 2024 to August 2024), leading to a rise in net services receipts from USD 61.2 billion in the first five months of FY24 to USD 70.2 billion in the same period of FY25.

Foreign Direct Investment:

FDI into India has recently been scrutinised due to concerns about declining inflows. However, a broader analysis reveals that FDI flows globally have been hampered by economic uncertainty, geopolitical tensions, and rising borrowing costs. The UNCTAD World Investment Report 2024 shows a global decline in FDI, with emerging economies witnessing a 15 per cent drop in 2023.

India’s FDI, although slightly lower in FY24, was primarily impacted by a 51.5 per cent increase in repatriations as international companies realised returns from investments. Many multinational companies have capitalized on India's strong stock market through secondary sales and IPOs, indicating investor confidence. In 2023, private equity-backed exits surged, supported by India’s stable macroeconomic environment and investor-friendly policies. That India is able to facilitate profitable exits for direct investors will boost future investments. Hence, the interpretation of the lower net FDI for FY24 is a positive one.

India remains a strong destination for FDI, ranking high in greenfield project announcements and international project finance deals. The government continues to simplify regulations and encourage investments in new sectors like renewables and semiconductors. Going forward, ensuring a skilled workforce, fostering R&D, and improving investment attractiveness across more states are key priorities. Despite global challenges, India's FDI potential remains robust, signalling long-term economic growth.

Net Foreign Direct Investment (FDI) inflows to India rose by 52.4 per cent during the first four months of FY25, supported by a surge in gross FDI inflows. Gross FDI inflows increased by 23.7 per cent, from USD 22.4 billion during the first four months of FY24 to USD 27.7 billion in the corresponding period of FY25. Manufacturing, financial services, communication services, computer services, and electricity and other energy sectors accounted for more than three-fourths of the gross FDI inflows.

Source: <https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review%20August%202024.pdf>

Introduction

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.



The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

Market Size

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

Textile manufacturing in India has been steadily recovering amid the pandemic. The manufacturing of textiles Index for the month of June 2024 is 106.

Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.

India's home textile industry is expected to expand at a CAGR of 8.9% during 2023-32 and reached US\$ 23.32 billion in 2032 from US\$ 10.78 billion in 2023.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to

reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24.

In FY25 (April- June) the total exports of textiles stood at US\$ 9.17 billion.

In FY25 (April-June), exports of readymade garments including accessories stood at US\$ 2,244 million.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

Investment And Key Development

Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024. The textile sector has witnessed a spurt in investment during the last five years.

- Ministry of Textiles has sanctioned 19 research projects totalling approximately Rs. 21 crore (US\$ 2.52 million) across various domains of Technical Textiles under the National Technical Textiles Mission.
- Industry bodies to host the largest global mega textiles event, Bharat Tex 2024 from February 26-29, 2024, in New Delhi. According to Union Minister, Mr. Piyush Goyal, Bharat Tex 2024 Expo is a testament to India's commitment to becoming a global textile powerhouse.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of ₹ 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around ₹ 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and ₹ 8,675 crore (US\$1.04 billion) in other parts of the state.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme "Cotton Value Chain- Local Innovations for Global Prosperity".
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (₹ 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISM) is planning to offer B.Sc. and MBA courses in technical textiles.

Government Initiatives

The Indian government has come up with several export promotion policies for the textile sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Mr. Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (₹ 61.09 crore) in the textile sector.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was ₹ 4,389.24 crore (US\$ 536.4 million). Out of this, ₹ 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), ₹ 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and ₹ 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (₹ 4,445 crore) for the years up to 2027–28 was approved by the government.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (₹ 232 crore) were approved. 31 new HSN codes have been developed in this space.

Road Ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.



Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, health, etc.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2023-24

Source: [Textile Industry in India, Leading Yarn Manufacturers in India - IBEF](#)

This space is intentionally left blank

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Letter of offer, including the information contained in the section titled '**Risk Factors**', beginning on page no. 23 of this Letter of offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled '**Risk Factors**' and the chapters titled '**Financial Statement**' and '**Management Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 23, 77 and 79 respectively, of this Letter of offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Letter of offer, all references to "we", "us", "our" and "our Company" are **Garg Acrylics Limited** and Group Entities as the case may be.

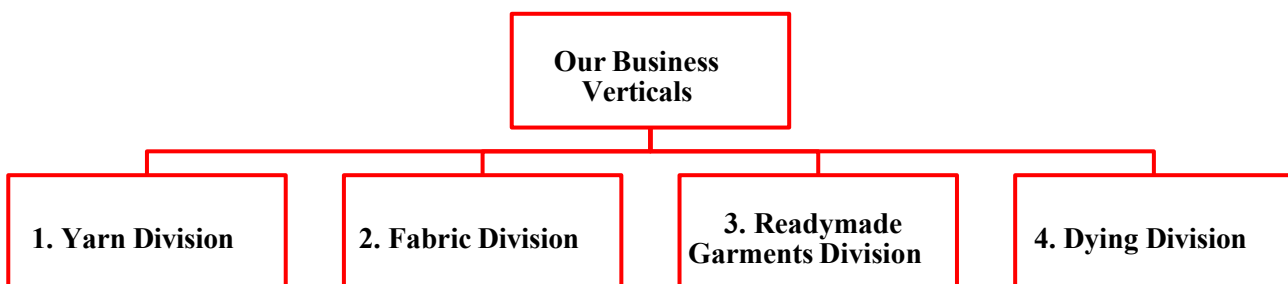
OVERVIEW

Company Background

Our Company was originally incorporated as "*Mercury Finance and Leasing Company Limited*" under the provision of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 22, 1983, granted by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "*Mercury Ispat Udyog Limited*" and a fresh certificate of incorporation consequent upon change of name was issued on May 08, 1986 by the Registrar of Companies, Delhi & Haryana. Further, the name of the company was changed to "*Garg Industries Limited*" vide certificate of incorporation dated August 09, 1994 issued by the Registrar of Companies, NCT of Delhi and Haryana. Thereafter, the name of our company got changed to "*Garg Acrylics Limited*" vide certificate of incorporation dated March 12, 1999 issued by the Registrar of Companies, NCT of Delhi & Haryana. The Corporate Identification Number of our company is L74999DL1983PLC017001.

Our Company is engaged in manufacturing and trading of textile products namely basic yarns, specialty yarn, fabrics, readymade garments and Dying. We offer one- stop solution for yarn requirements, catering to both domestic and foreign markets. We have also been recognized by Government of India as a "Four Star Export House. The company obtained Import and Export code (IEC) from the Directorate General of Foreign Trade, Ministry of Commerce & Industry.

Our Company got listed on Metropolitan Stock Exchange of India Limited i.e. MSEI on July 03, 2018. Our business is majorly divided into four business verticals, consisting of:



1. Yarn Division

We are engaged into the business of yarn manufacturing it is the major activity of the Company, and are equipped with latest state of the art machinery. We produce a wide variety of yarns, including grey & dyed cotton, synthetic and blended yarns, Cotton Combed Compact Yarn (for Knitting & Weaving), Vortex Yarn (CVC), Polyester/Cotton Yarn, Cone Dyed Yarn, Blended Yarn, Glitter Yarn, Jaspe Yarn, and more. Our products are well known and recognised in the international and domestic markets for quality, consistency and innovation. The installed capacity of Yarns manufacturing is 69,462 MT per annum.



2. Fabric Division

Fabric division of the Company was established as a worsted spinner and hosiery manufacturer. We manufacture woven fabric and knitwear. Our fabric is used in our garment division and selling in domestic and international market. In Fabric Division we are equipped with latest machinery and high- quality checking/testing. We have established a strong market reputation and acceptability. We have manufacturing capacity of 7,200 MT P.a.

We produced some top-quality fabrics which are mentioned as under:

- Single Jersey
- RIB
- Single Jersey Auto Striper
- PQ
- PQ Auto Striper
- Fancy Fabric
- Single Jersey Lycra
- Single Jersey Lycra Auto Stripper
- PQ Lycra
- PQ Lycra auto stripper



3. Readymade Garments Division

Our Readymade Garments Division manufacture products like T- shirt, Jackets, sweatshirts, Capary, Sweaters, Track Pants etc. It has a manufacturing capacity of 30 Lakh pcs per annum.

The Readymade Garment Division of the Company has been delivered into two divisions fine knits and sweater manufacturing, each having their own separate unit heads, merchants and staff.

- **Sweater unit**

Our current annual production is 20,84,000 garments metric tonnes but we have a manufacturing capability of 30,00,000 metric tonnes per annum. The Factory has in house embroidery machines and has capabilities to handle hand crochet as well printing styles with ease.

- **Fine Knit**

The factory is well equipped to handle any kind of garments. Fine knit manufacturing Unit was established in the year 2007 and this is located in Ludhiana, which is a hub of knitting and knitted garments, and our product range includes T-Shirts, Shirt, Trousers, Cargo, Shorts, Jackets for children, Ladies and Gents Wear of different age group. Current Annual production is 2,950 Metric Tonnes and we have a Manufacturing Capacity of 7,200 Metric Tonnes per annum. Our plant is equally balanced for knitted and Woven Garments as well. Our plant is well laid out and spacious in all respect. We have good team of dedicated professionals for all areas of operations.

Some of our readymade garments products are as under:





4. Dying Division

We established the Dye House plant in year 2000. We are here doing the all types of dying for yarn and fabrics. By using the latest machinery and technology, the plant has capacity of 50 tons per day. We also focused on dye house we are here doing all types of dying for yarn and fabrics. The different sections of dye house are hank dying, tow dying, cone dying, fabric dying and fiber dying.

Following are different type of dye house:

<ul style="list-style-type: none"> • Hank Dying (5 Tons/Day) • Cone Dying (5 Tons/Day) • Fiber Dying (20 Tons/Day) 	<ul style="list-style-type: none"> • Tow Dying (5 Tons/Day) • Fabric Dying (5 Tons/Day)
---	---

Our company's manufacturing activities are undertaken at 5 (Five) different units which is situated at:

Sr. No.	Unit Name	Addresses
1.	Unit I	Village Jugiana, Ludhiana, Punjab, India
2.	Unit II	Village Jugiana, Ludhiana, Punjab, India
3.	Unit III	Village Jugiana, Ludhiana, Punjab, India
4.	Unit IV	Village Paddi, Sanehwal, Dehlon Road, Ludhiana, Punjab, India
5.	Unit V	Village Jiwan Singh Wala, Talwandi Saboo, District Bathinda, Punjab, India

REVENUE BREAK- UP

Our revenue break-up for the financial year ending on March 31, 2024, 2023 and 2022 and for the period ended on September 30, 2024 is mentioned as follows:

1. Division Wise Bifurcation:

(Amount in ₹ Lakhs)

Particulars	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
Yarn Division	78,320	92.17%	1,47,060	91.62%	1,45,891	91.08%	1,79,438	92.48%
Garments Division	3,974	4.68%	6,737	4.20%	7,515	4.69%	6,866	3.54%
Fabric Division	2,681	3.15%	6,717	4.18%	6,771	4.23%	7,729	3.98%
Total	84,975	100.00%	1,60,514	100.00%	1,60,177	100.00%	1,94,033	100.00%

2. Domestic and Export Revenue Bifurcation:

(Amount in ₹ Lakhs)

Particulars	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
Domestic Sales	53,199	62.61%	93,401	58.19%	94,540	59.02%	87,253	44.97%
Export Sales	31,776	37.39%	67,113	41.81%	65,637	40.98%	1,06,780	55.03%
Total	84,975	100.00%	1,60,514	100.00%	1,60,177	100.00%	1,94,033	100.00%

OUR COMPETITIVE STRENGTHS

Our principal competitive strengths are:

- **We have a key customer base with reputed international Customers**

Our strong, long-standing relationships with key customers have played a pivotal role in driving our growth. Our unwavering dedication to quality and exceptional customer service has significantly strengthened these partnerships. Although we do not have formal long-term supply agreements, we consistently receive repeat business from many of our international clients. This reflects their confidence in our ability to stay ahead of market trends and reliably deliver high-quality products on time.

- **Management and Key managerial Expertise**

Our Directors and Key managerial persons are engaged in the Textiles business, have a proven background and rich experience in the Textile industry. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, the global economic crisis and fluctuations in fuel prices.

- **Cost effective production and timely fulfilment of orders**

Our Company has taken various steps to ensure adherence to timely fulfilment and to achieve greater cost efficiency as timely fulfilment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence have the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

- **Customer oriented approach**

Customer satisfaction is one of our key success factors. We cater to various domestic customers across product segments. We try to provide customer specific solutions and offer our products and services not in a standard but in a customized manner so as to best suit their requirements. Loyalty of our existing customers helps us to maintain a long-term working relationship with them. Further our approach has also helped us in expanding our present customer base.

OUR BUSINESS STRATEGY

The primary elements of our growth strategies are set forth below:

- **Process optimization**

The production planning process involves the development of a production plan to transform raw material into final products. Continuous improvement in productivity level, quality, utilization and yarn realization is very important for efficient working of operations. Optimization of the process is done after a proper analysis of processes.

• **Technological up-gradation**

Rapid improvement has been done by textile machine manufacturers to simplify the work practices and to achieve a higher productivity level. The selection of the right technology for the product is very essential to gain maximum output. Up-gradation in technology helps in reducing manpower, increase productivity, lower power consumption, and lesser maintenance cost, etc.

• **Product diversification**

In textile industries, not only produce cotton yarn, a lot of diversified yarn such as siro, melange, spandex, core-spun, gray melange and inject yarns are being produced. Despite being less production rate of diversified yarn than cotton yarn, the profit margin is drastically high We are now focusing on capacity utilization towards diversified yarn production.

• **Power saving**

Many steps have been initiated for improving power costs by smart engineering. Based on the analysis of individual machinery or plants, corrective actions can be initiated to improve power consumption. Highly efficient bearings with suitable grease used for the smooth running of shafts to reduce the load on motors. Further, the power cost factor has been taken into consideration and the mechanical mechanism has been modified with electronic & electrical systems controlled by the Programmable logic controller (PLC) for new machines. The scope of power-saving increased drastically with the latest technology. Machine manufacturers are also providing separate kits for power saving purposes.

• **Skill development**

Right skills for the right operations are very essential for the effective utilization of manpower. Sorting in maxing, sliver and waste handling in preparatory, cleaning of machines, and creeling of material in different stages, piecing in ring spinning, gaiting and doffing in ring frame. These types of practices must be trained to workers for better handling of machine operations and functions.

Classroom training and field training of workers to enhance the skill level of the operators. Do’s and Don’ts must be trained to workers for reducing human errors. Achieving Operational Excellence in the textile industry has become imperative to sustain the growth India has achieved. It is a path in which organizations continually develop and evolve to deliver extraordinary performance in its operations and management thus leading it on a path to success.

• **Quality improvement**

Yarn quality requires improving further to keep pace with time. Buyers are becoming more conscious than before. Therefore, ensuring the desired quality with less price is the challenge of spinners. The cotton market is too volatile to get consistent quality cotton with competitive price and so challenges increases in the mills to produce quality yarn.

The Company has a strong presence in markets such as Asia, Europe, United States and Africa. We are committed to delivering exceptional product quality, maintaining a customer-focused approach, prioritizing our people, upholding ethical business practices, and promoting responsible corporate citizenship. Our marketing strategy is built on our expertise in recognizing market trends and consumer preferences for the products we offer. In response, we manufacture high-quality fabrics that ensure comfort, consistent fit, and reliability for our customers.

Further, our experience also lies in identifying the gaps and foraying into the untapped market of garment segments with distinct products.

MISSION AND VISION

Robust infrastructure facilities and strong financial standing enables the company to constantly aim for higher growth and innovation in order to achieve greater excellence. The mission of the Company is to build itself into a world-class textile organization by manufacturing class apart products for the international textile market. This is in line with the long-term vision of the company: maximizing market share and profitability in the long run.

SWOT ANALYSIS

Strengths	Weakness
------------------	-----------------

<ul style="list-style-type: none"> • Experienced and committed promoters with extensive industry knowledge. • Large, varied industry segments offering a broad selection of products. • Wide and diversified product range. • Forward integration: knitted fabric manufacturing, garment production, yarn processing (dyeing, doubling). • Strategic location in Ludhiana, India's hosiery hub. • Well-diversified domestic and export markets. • Yarn is less affected by fashion changes and can be stored for extended periods. 	<ul style="list-style-type: none"> • Textile Spinning is a capital-intensive industry. • Timely availability of raw material. • Industry is highly dependent on cotton. • Higher indirect taxes, power and interest rates. • Indian Textile Industry is highly fragmented industry. • The operations are exposed to volatility in cotton prices and risk of inventory loss in case of excess stockings.
Opportunity	Threat
<ul style="list-style-type: none"> • With abundant raw material base, cheap labour & availability of latest technology, India is one of the largest exporters of yarn in international market with over 25% share of the global trade in cotton yarn. • GAL has large & diversified segments that provide wide variety of products with manufacturing flexibility to meet growing demand. • The growth rate of Domestic Textile Industry is 6-8% per annum. • Government incentives and subsidies • Market is gradually shifting towards Branded Readymade Garment. • Greater investment and FDI opportunities are available. • Emerging organized retail industry will provide further boost to the downstream value chain. 	<ul style="list-style-type: none"> • Raw material price fluctuation. • Changing technology • Continuous Quality Improvement is a need of the hour as there are different demand patterns all over the world. • Geographical Disadvantages. • International Labour and Environment Laws. • To make balance between price and quality. • Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification. • To balance the demand and supply.

COLLABORATIONS/TIE UPS/ JOINT VENTURE

Our Company does not have any associates, Joint Ventures, Tie Ups and collaborations but having one subsidiary i.e Garg International (Partnership Firm).

MARKETING AND DISTRIBUTION

The sales turnover of the Company is equally divided into domestic and export markets. About 50% of the domestic market sale is consumed in Ludhiana market and balance in other textile centres in the Country including Delhi, Bhilwara, Panipat, Coimbatore etc. The sales are effected through distributors and traders and directly to the end users also on F.O.R. basis. The exports are made to end users through agents against LC and against advance partial payments. The sales in both the territories i.e. domestic as well as exports are well diversified and generally no major client has more than 5% share of the total production of the company.

LOCATION

Registered Office

The registered office of the Company is situated at A-50/1, Wazirpur Industrial Area, Delhi- 110052, India.

Corporate Office

The corporate office of the Company is situated at Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India.

Products

Cotton Yarn, Synthetic Yarn, Blended Yarn, Garments/ Hosiery goods, Knitted Fabrics.

Production Capacity

The production capacity of the company is summarized as hereunder:

Financial Year	Installed Capacity	Manufacturing Capacity (p.a.) (Metric Tonnes)	Actual Production Metric Tonnes	% of Capacity Utilization
2021-22	Yarn	62,440	60,087	96.23%
	Knitted Fabric	7,200	3,397	47.18%
	Garments	30 Lac Pcs	22.16 Lac	73.87%
2022-23	Yarn	62440	54441	87.19%
	Knitted Fabric	7200	2831	39.32%
	Garments	30 Lac Pcs	22.87 Lac	76.23%
2023-24	Yarn	62440 *350	62583	99.67%
	Knitted Fabric	7200	2950	40.97%
	Garments	30 Lac Pcs	20.84 Lac	69.47%
2024-25 (6m)	Yarn	69462	35724	102.86%
	Knitted Fabric	7200	1389	38.58%
	Garments	30 Lac Pcs	17.58 Lac	117.20%

**proportionate figure for capacity expansion of 7022 MT per annum on 14-03-2024.*

Raw Material

The majority of raw material required in our manufacturing process are Synthetic Fibre, Cotton Fibre, Fabric, Yarn for garments and other (Semi finished yarns), Acrylic Tow and Polyester Staple Fibre another major raw material is Cotton that constitute about 60% of the total raw material.

Power

Our Company have a connected load of 33,874 KVA from Punjab State Power Corporation Limited and in addition we have installed a Roof Top Solar plant with a capacity of 9,900 KWP.

Water

Our company's manufacturing process (spinning of yarn) does not necessitate water. Drinking and sanitation needs are fulfilled using submersible pumps installed within the factory premises

Pollution

Spinning & Garment manufacturing does not pollute environment and classified under the "Green category". The company strictly adheres to pollution control norms issued by the Punjab State Pollution Control Board and ensures periodic renewal of necessary NOC for its operations.

Human Resource

Human resource is an asset to any industry, sourcing and managing. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the Industry. The company has strength of 5040 employees at present. The company is continuing its efforts for improvement in work culture wherein employees can contribute to their potential. The Industrial relations continued to remain cordial during the year under review.

As of the date of this Letter of offer we have the total strength of 5040 full-time employees (including executive directors).

The details of which is given below:

Department Wise Employees	
Department Name	No. of Employees
Production Department	3423
Maintenance Department	973
Human Resources Department	220
Security Department	163
Accounts and Administration Department	119
R & D Department	94
Marketing Department	43
IT Department	5
Total	5040

MANUFACTURING PROCESS

RAW COTTON



SORTING



BLOW & BREATING



CARDING



DRAWING



LAP FRAMING



COMBING



DRAWING



ROVING



TWISTING

(RING FRAME)



CONE WINDING




PACKING

INSURANCE

Our Company maintain insurance coverage under various insurance policies for electronic equipment, machinery breakdown, portable equipment, burglary, money, accident, fire and other special perils. We believe that the level of insurance and the policies we maintain are appropriate for the risks of our business and for companies operating in our industry. Nonetheless, our policies are subject to standard limitations and may not cover all losses incurred by us.

INTELLECTUAL PROPERTY RIGHTS

We have also applied for the following registrations under the Trademarks Act. The status of our applications is as under:

Sr. No.	Word/ Label/Mark/Design	Application No.	Class	Registration/Application date	Status/ Validity
1.	 The logo features a large, bold, red letter 'G' above the text 'SCARLET PRIMA COMPACT' in a smaller, black, sans-serif font.	6336155	23	March 08, 2024	Registered

This space has been left blank intentionally

OUR MANAGEMENT

Board of Directors

As per the Articles of Association our Company shall not appoint less than three (3) and more than fifteen (15) Directors. Currently, our Company has six (6) Directors. Out of six (6) directors, three (3) are Non-Independent Director; and three (3) are Independent Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Letter of offer:

MR. SANJIV GARG	
Designation	Chairman & Managing Director
DIN	00217156
Age	64 years
PAN	AAZPG5581D
Date of Birth	10-11-1960
Address	House No. 259, South City, Janpath Farms, Ayali Kalan, Ludhiana, Punjab- 142027
Occupation	Business
Nationality	Indian
Date of Appointment	August 01, 2010
Term of Appointment and date of expiration of current term of office	Re-appointment as Managing Director for a period of 5 years w.e.f. 01.01.2021 to 31.12.2025
Other Directorship	<ol style="list-style-type: none"> 1. Pushpa Yarns Private Limited 2. Indoglobal Infratech Private Limited 3. Raja Devi Investment and Trading Co Private Limited

MR. RAJIV GARG	
Designation	Managing Director
DIN	00444558
Age	58 years
PAN	AAZPG5575F
Date of Birth	02-07-1966
Address	House No. 1, Pushp Vatika, Carlton Woods, South City, Ayali Kalan, Ludhiana, Punjab- 142027
Occupation	Business
Nationality	Indian
Date of Appointment	September 28, 1994
Term of Appointment and date of expiration of current term of office	Re-appointment as Managing Director for a period of 5 years w.e.f. 01.01.2021 to 31.12.2025
Other Directorship	<ol style="list-style-type: none"> 1. Pushpa Yarns Private Limited 2. Entrepreneurs' Organization (Punjab)

MR. UJJWAL GARG	
Designation	Whole-Time Director
DIN	01234439
Age	39 Years
PAN	AIEPG3118K
Date of Birth	08-09-1985
Address	House No. 259, South City, Janpath Farms, Ayali Kalan, Ludhiana, Punjab- 142027
Occupation	Business
Nationality	Indian

Date of Appointment	April 01, 2006
Term of Appointment and date of expiration of current term of office	Re-appointment as Whole-Time Director for a period of 5 years w.e.f. 01.01.2021 to 31.12.2025
Other Directorship	1. Shubham Yarns Private Limited

MR. SANJAY SAHNI	
Designation	Independent Director
DIN	08364951
Age	55 Years
PAN	ABPPS9233B
Date of Birth	20-11-1969
Address	G-11/3, Ground Floor, Malviya Nagar S.O., South Delhi, Delhi- 110017
Occupation	Professional
Nationality	Indian
Date of Appointment	March 22, 2021
Term of Appointment and date of expiration of current term of office	Appointment as Independent Director for a period of 5 years i.e. upto March 21, 2026
Other Directorship	1. Sueryaa Knitwear Limited 2. DCM Financial Services Limited

MR. AVNISH DHINGRA	
Designation	Independent Director
DIN	09102065
Age	36 Years
PAN	AYJPD0939N
Date of Birth	07-04-1988
Address	House No. 3940/1, Street No.- 10, New Madho Puri, Basti ____, Ludhiana, Punjab- 141007
Occupation	Professional
Nationality	Indian
Date of Appointment	March 22, 2021
Term of Appointment and date of expiration of current term of office	Appointment as Independent Director for a period of 5 years i.e. upto March 21, 2026
Other Directorship	1. Subhash Polytex Limited 2. Puri Oil Mills Limited 3. Twinkle Papers Limited 4. Plexify Global Private Limited

MS. MISHA NAYAR	
Designation	Independent Director
DIN	09110365
Age	58 Years
PAN	AAUPN9268K
Date of Birth	23-04-1966
Address	Rose Enclave, Dad, Ludhiana, Punjab- 142022
Occupation	Professional
Nationality	Indian
Date of Appointment	March 22, 2021
Term of Appointment and date of expiration of current term of office	Appointment as Independent Director for a period of 5 years i.e. upto March 21, 2026
Other Directorship	Nil

Relationship between our directors

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

S. No.	Name of the Director	Relationship
1.	Mr. Sanjiv Garg	Brother of Mr. Rajiv Garg Father of Mr. Ujjwal Garg
2.	Mr. Rajiv Garg	Brother of Mr. Sanjiv Garg
3.	Mr. Ujjwal Garg	Son of Mr. Sanjiv Garg

Brief profile of the directors of our company

Mr. Sanjiv Garg – Chairman and Managing Director

Mr. Sanjiv Garg, aged 64 years, is the Promoter, Chairman & Managing Director of the Company. He is a commerce graduate and has an experience of 14 years in textiles business. After completing his studies in 1981, he started contributing in business, set up worsted spinning unit and implemented several modernization and expansion plans.

Mr. Rajiv Garg - Managing Director

Mr. Rajiv Garg, aged 58 years, is the Promoter and Managing Director of the Company. He is a commerce graduate and has an experience of 30 years in business. After completing his studies in 1986, he joined the family business with his elder brother and contributed in setting up of worsted spinning unit of the company and implementation of several modernization and expansion plans.

Mr. Ujjwal Garg – Whole-Time Director

Mr. Ujjwal Garg, aged 39 years, is the Promoter & Whole-Time Director of the company. He had completed his Bachelor of Applied Science in Textile Technology in the year 2005. He has a experience of 16 years in the textiles business. After completing his studies, he joined the company and looking after the garment unit of the company.

Mr. Sanjay Sahni – Independent Director

Mr. Sanjay Sahni, aged 55 years, is an Independent Director of our company. He is a commerce graduate and a Qualified Chartered Accountant by profession. He advise company on financial matters.

Mr. Avnish Dhingra – Independent Director

Mr. Avnish Dhingra, aged 36 years, is an Independent Director of our company. He is a commerce graduate and a Qualified Company Secretary by profession. He advise company on Legal matters.

Ms. Misha Nayar – Independent Director

Ms. Misha Nayar, aged 58 years, is an Independent Director of our company. She has appeared in TDC III Examination in April 1987. She advise company on Human Resource & Administration.

Confirmations

None of our Directors is or was a director of any listed Company during the five years preceding the date of filing of this Letter of offer, the equity shares of which have been or were suspended from being traded on any stock exchange, during the term of their directorship in such Company.

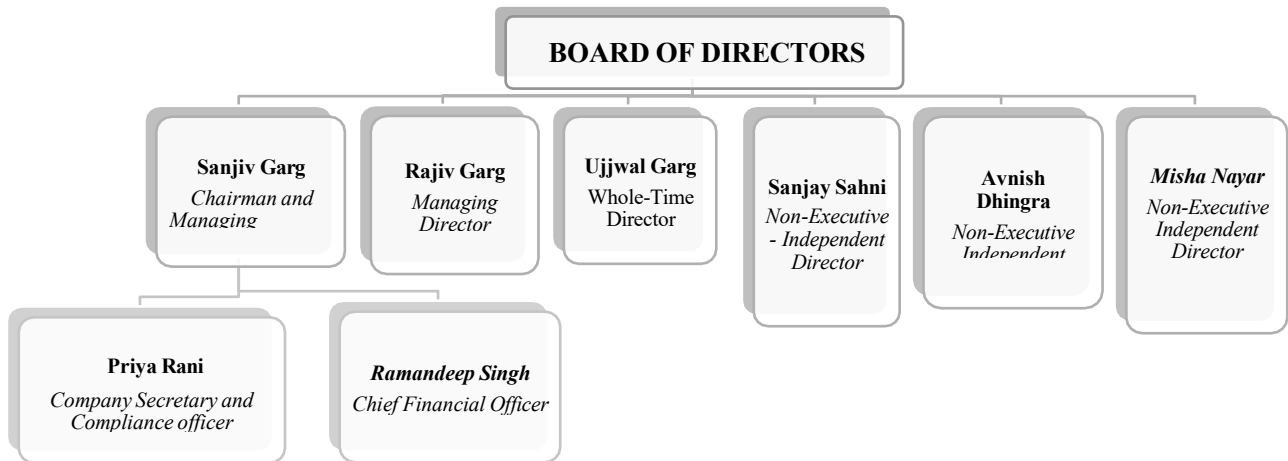
None of our Directors is or was a director of any listed Company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last five years immediately preceding the date of filing of this Letter of offer

Other Confirmation

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorship.

We confirm that as on the date of this Letter of offer, there are no arrangements or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors as a member of the senior management.

Management Organizational Structure



Our Key Managerial Personnel and Senior Management Personnel

In addition to our Managing Directors and Whole Time Director whose details have been provided under paragraph above titled 'Brief Profile of our Directors'. Set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of offer:

Name	Designation
Mr. Ramandeep Singh	Chief Financial Officer
Ms. Priya Rani	Company Secretary & Compliance Officer

In addition to the persons named above, the following are the Senior Management Personnel of our Company:

Name	Designation
Mr. Bhupinder Singh	Electrical Engineer
Mr. Navnish Jain	IT Head
Mr. Jatinder Verma	Chief Engineer

This space has been left blank intentionally

SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Limited Review Report along with standalone unaudited financial results for the period ended September 30, 2024	FS1- FS6
Limited Review Report along with consolidated unaudited financial results for the period ended September 30, 2024	FS7- FS12
Audited Standalone Financial Statements for the financial year ended March 31, 2024	FS13- FS51
Audited Consolidated Financial Statements for the financial year ended March 31, 2024	FS52- FS87

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since September 30, 2024 till date of this Letter of offer.

We have not given Restated Financials because we fall under Part-B of SEBI (ICDR) Regulation, 2018.

This space is intentionally left blank

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Garg Acrylics Limited

We have reviewed the accompanying statement of standalone unaudited financial results of Garg Acrylics Limited (the "Company") for the quarter and half year ended on Sept. 30, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). This statement which is the responsibility of the Company's Management and approved by the Company's 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 there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards, recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.



Emphasis of Matter

- Note 5 to the standalone financial results which states 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 31-03-2025. Accordingly, we are unable to comment on the impact of the same on results for the quarter and half year ended on Sept. 30, 2024.

Our conclusion is not modified in respect of the above matters.

**For KAMBOJ MALHOTRA & ASSOCIATES,
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)**



**CA AMARJIT KAMBOJ
PARTNER**

Membership No. 082152

UDIN: 24082152 BKDNYT3375

Place: Ludhiana
Dated: 12-11-2024

Statement of Standalone Unaudited financial results for the quarter ended 30 Sept, 2024

(Rs. in Lacs)

Sr.No.	Particulars	Quarter Ended			Six months Ended		Year ended
		30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	40036.05	44048.87	41911.87	84975.32	79729.13	160314.11
2	Other Operating Income	57.88	62.88	54.57	120.43	105.55	227.20
3	Total income from Operations(1+2)	40093.93	44111.75	41966.44	85095.75	79834.68	160541.31
4	Expenses						
a)	Cost of materials consumed	31547.89	31088.17	28009.21	59326.86	56182.26	113288.86
b)	Provision of stock-in-trade	0.00	0.00	499.34	0.00	499.34	499.34
c)	Change in inventories of finished goods, work-in-progress and stock-in-trade	-3186.34	-981.54	2642.85	-3747.79	2382.46	2001.22
d)	Employee benefits expense	2996.27	3307.35	2576.37	5600.32	5279.27	10501.70
e)	Finance Cost	1395.34	1441.11	1266.78	2887.39	2421.92	4754.11
f)	Depreciation and amortisation expense	517.74	504.74	715.45	1022.48	1404.14	2690.78
g)	Power & Fuel	3577.82	3822.73	3739.84	7300.27	7100.82	14253.92
h)	Other expenses	5418.18	3940.70	2124.81	7368.69	6961.20	13099.51
	Total expenses	40840.37	43885.19	42573.34	84733.90	81712.52	162199.68
5	Profit before exceptional items and tax (3-4)	1453.56	2226.56	400.00	3361.85	2818.94	2448.38
6	Exceptional items	0.00	0.00	0.00	0.00	0.00	56.85
7	Profit before tax (5+6)	1453.56	2226.56	400.00	3361.85	2818.94	2505.23
8	Tax expense						
	Current tax	0.00	0.00	0.00	0.00	0.00	0.00
	Deferred Tax Asset/Liability	-67.61	-69.63	-14.00	-157.41	-21.88	309.43
	Prior Year Tax Provisions	0.00	0.00	0.00	0.00	0.00	-6.01
9	Profit after tax (7-8)	1385.95	2156.93	386.00	3204.44	2800.86	2808.65
10	Other comprehensive income						
a)	(i) Items that will not be reclassified to profit or loss	15.38	43.75	35.15	58.13	70.30	176.00
	(ii) Income tax related to items that will not be reclassified to profit or loss	-3.87	-11.61	-8.58	-14.83	-17.59	-46.24
b)	(i) Items that will be reclassified to profit or loss	0.00	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	0.00
11	Total comprehensive income for the period (9+10)	1392.13	2188.08	377.42	3249.64	2853.67	2862.41
12	Majority equity share capital (Face Value of Rs. 10/- each)	954.20	954.20	954.20	954.20	954.20	954.20
13	Other equity including non-cumulative preference shares (at par) and other reserves						8026.65
14	Shareholders' equity (of Rs. 10/- each) (net of reserves)						
	(a) Basic	1.15	1.54	5.32	3.03	-43.67	-40.14
	(b) Diluted	1.15	1.54	5.32	3.03	-43.67	-40.14



Place: Ludhiana
 Date: 13-11-2024

Filed on behalf of Board of Directors

(Signature)
 Sanjiv Garg
 Managing Director
 DIN:00217116

Notes:

1	The Company is operating in single segment textile business.
2	The financial results have been prepared in accordance with the recognition and measurement principals of applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
3	The Code on Social Security 2020 (Code) relating to employee benefits during employment and post employment benefits has been notified in the official Gazette on 29th Sept, 2020. The draft rules has been released on Nov 13, 2020 and suggestions invited from stakeholders are under consideration by the Ministry. The impact of change will be assessed and accounted in the period in which the said rules are notified for implementation.
4	The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 12th November, 2024. The statutory auditors have expressed an unmodified opinion on the above results.
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 31-03-2025.
6	In accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has opted to publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.gorgbd.com or on the website of MSE (www.mseil.in).

Place: Ludhiana
Date: 12-11-2024



For and on behalf of Board of Directors

Sanjay Garg
Managing Director
DIN:00217156

GARG ACRYLICS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2024

	For the period ended Sept 30, 2024 (Unaudited) (Rs. in Lacs)	For the period ended Sept 30, 2023 (Unaudited) (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Exceptional items and tax	362.20	-2878.94
Adjustments for :		
Depreciation and amortisation	1822.48	1424.14
Interest expense	2792.22	2263.14
Fair Valuation (Gain)Loss on Investment	-32.21	-12.56
Deferred Revenue on Capital Subsidy	-0.89	-1.06
Interest income	-85.48	-91.91
(Profit)Loss on sale of Assets(Net)	0.00	0.00
Gratuity Provision	6.71	16.85
Gratuity (Other Comprehensive Income)	55.13	70.30
Operating Profit before working capital changes	4833.17	791.75
Adjustments for Changes in Working capital:		
(Increase)/Decrease in Trade and other Receivables	-2003.99	-3856.03
(Increase)/Decrease in Inventories	11615.02	10466.36
Increase/(Decrease) in Trade Payables and other Liabilities	-4195.69	-746.43
Cash generated from Operations	10169.49	6645.54
Net income tax paid	0.00	-0.20
Net cash flow from/ (used in) operating activities	10169.49	6645.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-777.34	-8677.49
Proceeds from sale of Fixed Assets	14.15	0.00
(Increase)/Decrease in Investments	-76.55	-30.00
Interest income	85.48	91.91
Net Cash used in investing activities	-754.26	-8615.57
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	-583.92	6086.56
Proceeds/ (Repayment) from Short Term Borrowings (Net)	-6043.15	-2297.63
Interest Paid	-2701.28	-2260.07
Net Cash flow from/(used in) Financing Activities	-9328.36	1528.85
Net increase in cash and cash equivalents	85.88	-441.29
Cash and cash equivalents at the beginning of the period	649.93	490.88
Cash and cash equivalents at the end of the period	735.86	49.60

Place: Ludhiana
Date: 12-11-2024



For and on behalf of Board of Directors

Sanjiv Garg
Sanjiv Garg
Managing Director
DIN:00217156

GARG ACRYLICS LIMITED
STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	AS AT Sept 30, 2024 (Unaudited) (Rs. In Lacs)	AS AT Mar 31, 2024 (Audited) (Rs. In Lacs)
	ASSETS	
1 Non-Current Assets		
a) Property, Plant and Equipment	39678.54	40503.24
b) Capital Work-in-Progress	0.00	233.69
c) Other Intangible assets	3.46	4.36
d) Financial Assets		
-Investments	242.35	170.14
-Other Financial Assets	469.88	51.96
e) Other Non Current Assets	675.13	697.65
	<u>41069.35</u>	<u>41661.05</u>
2 Current Assets		
a) Inventories	28485.86	40100.87
b) Financial Assets		
-Investments	126.09	89.54
-Trade receivables	18777.18	19769.64
-Cash and Cash Equivalents	126.57	90.68
-Bank Balance other than above	609.29	559.29
-Other Financial Assets	63.65	433.07
c) Other Current Assets	10384.00	7336.68
	<u>58572.63</u>	<u>68379.77</u>
TOTAL	<u>99641.98</u>	<u>110040.82</u>
EQUITY AND LIABILITIES		
1 Shareholders' Funds		
a) Equity Capital	664.28	664.28
b) Other Equity	45475.69	45226.65
	<u>46139.97</u>	<u>45890.93</u>
2 Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	11915.84	12496.82
(b) Provisions	442.20	441.06
(c) Deferred Tax Liabilities (DTL)	574.95	402.66
Total-Non-Current Liabilities	<u>12932.99</u>	<u>13340.52</u>
3 Current Liabilities		
(a) Financial Liabilities		
- Borrowings	34714.53	40757.68
- Trade Payables		
(i) Total outstanding dues of Micro and Small Enterprises	334.66	1128.36
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	4168.33	7570.39
- Other Financial Liabilities	0.00	110.85
(b) Other Current Liabilities	1159.72	1046.80
(c) Provisions	191.78	191.28
Total-Current Liabilities	<u>40569.02</u>	<u>50807.37</u>
TOTAL	<u>99641.98</u>	<u>110040.82</u>



Place: Ludhiana
Date: 13-11-2024

For and on behalf of Board of Directors

Sanjiv Garg
Sanjiv Garg
Managing Director
DIN:00217166

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Garg Acrylics Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Garg Acrylics Limited (" Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter and half year ended on Sept. 30, 2024 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor 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 Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD 1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

3. The Statement includes the results of the following entity:

Name of the Entity	Relationship
Garg International	Subsidiary Partnership Firm



4. Based on our review conducted and procedures performed as stated in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. **Emphasis of Matter**

- Note 6 to the consolidated financial results states 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 31-03-2025. Accordingly, we are unable to comment on the impact of the same on results for the quarter and half year ended on Sept. 30, 2024.

Our conclusion is not modified in respect of the above matters.

6. We did not review the interim financial results of one subsidiary included in the consolidated financial results, whose interim financial results reflect total assets of Rs. 126.39 Lacs as at 30-09-2024 and total revenue of Rs. Nil, total net profit after tax of Rs. 0.00 Lacs and total comprehensive income of Rs. 0.00 Lacs for the quarter and half year ended on 30-09-2024 as considered in the consolidated unaudited financial results. The interim financial results of the subsidiary has been furnished to us by the management and our conclusion on the statement in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the information provided by the management. Our conclusion on the statement in respect of the matters stated in this paragraph is not modified with respect to our reliance on the financial results provided by the management.

Place: Ludhiana
Dated: 12-11-2024

For KAMBOJ MALHOTRA & ASSOCIATES,
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

CA AMARJIT KAMBOJ
PARTNER
Membership No. 082152

UDIN : 24082152BKDNYU9530



Statement of Consolidated Unaudited financial results for the quarter ended 30 Sept, 2024

(Rs. in Lacs)

Sr.No.	Particulars	Quarter Ended			Six months Ended		Year ended
		30-09-2024	30-06-2024	30-09-2023	30-09-2024	30-09-2023	31-03-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	40240.00	44346.87	41811.97	84275.32	78726.12	160514.11
2	Other Operating Income	37.59	87.55	54.87	120.43	106.54	227.28
3	Total Income from Operations (1+2)	40277.59	44434.42	41866.84	85095.75	78832.67	160741.39
4	Expenses						
a)	Cost of materials consumed	31947.88	31833.17	28029.21	63385.85	58152.25	112285.88
b)	Purchases of stock-in-trade	0.00	0.00	490.34	0.00	490.34	490.34
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-2188.24	-881.54	2542.05	-3747.79	2251.41	2021.23
d)	Employee benefits expense	2966.27	2907.20	2575.37	5896.32	5279.37	12607.78
e)	Finance Cost	1368.24	1491.11	1256.78	2897.35	2621.89	4784.19
f)	Depreciation and amortisation expense	917.74	934.74	715.45	1832.49	1424.14	2580.78
g)	Power & Fuel	2977.52	2622.75	3726.94	7326.27	7100.82	14255.89
h)	Other expenses	2418.18	2940.70	2124.91	7354.89	6281.30	15866.11
	Total Expenses	40343.87	43321.19	42173.35	84733.85	81712.62	163186.78
5	Profit before exceptional items and tax (3-4)	143.84	218.38	-606.80	362.20	-2879.95	-2445.39
6	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit before tax (5+6)	143.84	218.38	-606.80	362.20	-2879.95	-2445.39
8	Tax expense						
	Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	Deferred Tax Asset/(Liability)	-47.81	-89.80	-14.32	-147.41	-21.39	208.45
	Prior Year Tax Provisions	0.00	0.00	0.00	0.00	0.00	-6.01
9	Profit after tax (7-8)	96.03	128.58	-620.82	214.79	-2900.95	-2453.95
10	Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00
11	Profit for the period after taxes and minority interest (9-10)	96.03	128.58	-620.82	214.79	-2900.95	-2453.95
12	Other comprehensive income						
a)	(i) Items that will not be reclassified to profit or loss	14.38	43.75	26.15	35.13	70.30	175.00
	(ii) Income tax related to items that will not be reclassified to profit or loss	-3.07	-11.01	-6.15	-14.83	-17.69	-44.24
b)	(i) Items that will be reclassified to profit or loss	0.00	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	0.00
11	Total comprehensive income for the period (4-12)	87.33	161.32	-600.62	249.72	-2988.74	-2501.95
12	Pick up equity share capital (face value of Rs. 10/- each)	684.28	684.28	684.28	684.28	684.28	684.28
13	Other equity excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	40236.65
14	Earning per share (of Rs. 10/- each) (11+12+13)	1.15	1.93	-6.35	3.08	-43.67	-40.54
	(i) Basic	1.15	1.93	-6.35	3.08	-43.67	-40.54
	(ii) Diluted						

Place: Ludhiana
 Date: 12-11-2024



For and on behalf of Board of Directors

Sanjiv Garg
 Sanjiv Garg
 Managing Director
 DIN-00217158

Notes:		
1	The above consolidated financial results includes result of subsidiary Garg International.	
2	The Company is operating in single segment textile business.	
3	The financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.	
4	The Code on Social Security 2020 (Code) relating to employee benefits during employment and post employment benefits has been notified in the official Gazette on 29th Sept. 2020. The draft rules has been released on Nov 13, 2020 and suggestions invited from stakeholders are under consideration by the Ministry. The impact of change will be assessed and accounted in the period in which the said rules are notified for implementation.	
5	The above consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 12th November, 2024. The statutory auditors have expressed an unmodified opinion on the above results.	
6	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 31-03-2025.	
7	In accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has opted to publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.gargtd.com or on the website of MSE(www.mse.in).	
Place: Ludhiana Date: 12-11-2024		For and on behalf of Board of Directors  Sanjiv Garg Managing Director DIN:00217156

GARG ACRYLICS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2023

	For the period ended Sept 30, 2024 (Unaudited) (Rs. in Lacs)	For the period ended Sept 30, 2023 (Unaudited) (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Exceptional items and tax	362.20	-2878.94
Adjustments for:		
Depreciation and amortisation	1822.48	1424.14
Interest expense	2702.22	2263.14
Fair Valuation (Gain)/Loss on Investment	-32.21	-12.58
Deferred Revenue on Capital Subsidy	-0.89	-1.05
Interest Income	-85.48	-91.91
(Profit)/Loss on sale of Assets(Net)	0.00	0.00
Gratuity Provision	5.71	18.65
Gratuity (Other Comprehensive Income)	59.13	70.30
Operating Profit before working capital changes	4833.17	791.75
Adjustments for Changes in Working capital:		
(Increase)/Decrease in Trade and other Receivables	-2047.44	-4150.18
(Increase)/Decrease in Inventories	11015.02	10485.38
Increase/(Decrease) in Trade Payables and other Liabilities	-4232.24	-482.29
Cash generated from Operations	10168.49	6545.65
Net income tax paid	0.00	-0.20
Net cash flow from/ (used in) operating activities	10168.49	6545.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-777.34	-8577.48
Proceeds from sale of Fixed Assets	14.15	0.00
(Increase)/Decrease in Investments	-78.55	-30.00
Interest Income	85.48	91.51
Net Cash used in investing activities	-754.26	-8515.97
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	-583.91	6088.58
Proceeds/ (Repayment) from Short Term Borrowings (Net)	-6043.15	-2297.63
Interest Paid	-2701.28	-2280.07
Net Cash flow from/(used in) Financing Activities	-9328.36	1528.88
Net Increase in cash and cash equivalents	85.87	-441.29
Cash and cash equivalents at the beginning of the period	650.67	491.51
Cash and cash equivalents at the end of the period	736.55	50.23

Place: Ludhiana
Date: 12-11-2024



[Handwritten Signature]

For and on behalf of Board of Directors

[Handwritten Signature]
Sanjiv Garg
Managing Director
DIN:00217156

GARG ACRYLICS LIMITED
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	AS AT	AS AT
	Sept 30, 2024 (Unaudited) (Rs. in Lacs)	Mar 31, 2024 (Audited) (Rs. in Lacs)
ASSETS		
1 Non-Current Assets		
a) Property, Plant and Equipment	39678.54	40903.74
b) Capital Work-in-Progress	0.00	233.50
c) Other Intangible assets	3.46	4.36
d) Financial Assets		
- Investments	242.35	170.14
- Other Financial Assets	459.88	51.96
e) Other Non Current Assets	675.13	697.65
	<u>41069.35</u>	<u>41661.05</u>
2 Current Assets		
a) Inventories	28485.36	40100.87
b) Financial Assets		
- Investments	36.55	0.00
- Trade receivables	18902.88	19895.33
- Cash and Cash Equivalents	127.10	91.38
- Bank Balance other than above	609.45	559.29
- Other Financial Assets	63.65	433.07
c) Other Current Assets	10347.45	7300.14
	<u>56572.92</u>	<u>68380.07</u>
TOTAL	<u>97642.27</u>	<u>110041.12</u>
1 EQUITY AND LIABILITIES		
1 Shareholders' Funds		
a) Equity Capital	664.28	664.28
b) Other Equity	45475.09	45226.65
c) Non Controlling Interest	0.30	0.30
	<u>46140.27</u>	<u>45891.23</u>
2 Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	11915.84	12488.82
(b) Provisions	442.20	441.06
(c) Deferred Tax Liabilities (Net)	574.55	402.66
Total-Non-Current Liabilities	<u>12932.59</u>	<u>13342.52</u>
3 Current Liabilities		
(a) Financial Liabilities		
- Borrowings	34714.53	40757.68
- Trade Payables		
(i) Total outstanding dues of Micro and Small Enterprises	334.66	1128.36
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	4168.33	7570.39
- Other Financial Liabilities	0.00	150.85
(b) Other Current Liabilities	1159.72	1048.80
(c) Provisions	191.78	191.28
Total-Current Liabilities	<u>40569.02</u>	<u>50807.38</u>
TOTAL	<u>97642.27</u>	<u>110041.12</u>



Place: Ludhiana
Date: 12-11-2024

For and on behalf of Board of Directors

Sarjeet
Sarjeet
Managing Director
DIN:00217156

INDEPENDENT AUDITORS' REPORT

To the Members of
GARG ACRYLICS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of GARG ACRYLICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Going concern assumption, financing and covenants	
The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.	We have used our own internal experts in evaluating the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead. For notes on the Financial Risk Management & Capital Management see note no. 46 & 47 of financial statements respectively.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors/ Management are responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after that date.



Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility includes maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- v) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books, except for not complying with the requirement of audit trail to the extent stated in i)(vi) below
 - c) The Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules 2015, as amended.
 - e) On the basis of written representations received from the directors as on 31st March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 37 to the Standalone Financial Statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the above representations under sub-clause (a) and (b) given by the management contain any material mis-statement.
- (v) No dividend was declared or paid during the year.
- (vi) Based on our examination which included test check, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll, property plant & equipment register, cost records, stock register & consolidation process.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For KAMBOJ MALHOTRA & ASSOCIATES,
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Manik Malhotra

CA MANIK MALHOTRA
PARTNER
Membership No. 094604
UDIN : 24094604BKEBJA8337



Place: Ludhiana
Dated: 30-05-2024

Annexure-A to Auditors' Report

Garg Acrylics Limited- Financial Year ended 31-03-2024

Referred to in paragraph 1 under the heading of "Report on other legal and Regulatory requirements" of our report of even date.

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information & explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property included in property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management in a phased periodical manner. In our opinion the coverage and the procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its business. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

The company have been sanctioned working capital limits in excess of Rupees five crore in aggregate from banks on the basis of security of current assets, The quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the company except as follows:

<u>Quarter ended</u>		<u>Value as per books of account</u>	<u>Value as per quarterly statement</u>	<u>Discrepancy</u> (Rs. in Lacs)
31, Mar 2024	Stock	40101	40122	+21 *
	Book Debt	19770	19910	+ 140 **

* Monthly Drawing power/stock statement are submitted to bank by 7th of next month. The stocks are valued on estimated basis. The value of stock as per books of accounts are calculated after submission of monthly G.S.T. Returns i.e. by 15th of next month, hence the differences.

** Monthly Drawing power/Book debts statement are submitted to bank by 7th of next month. The bank statements are reconciled with books afterwards i.e. by 15th of next month taking into account Cheque Returned /payment returned /received, hence the difference.

- (iii) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company. Further the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the other requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not provided loans or guarantees and security in respect of which provision of section 185 of the Companies Act are applicable. In respect of investments, the company has complied with provisions of section 186 of the Act.



- (v) The company has not accepted any deposits or amounts which are deemed to be deposits under sections 73 to 76 of Companies Act, accordingly the requirement for reporting under clause 3 (v) of the order is not applicable.
- (vi) The maintenance of cost records has been specified by the central Government under section 148(1) of the Companies Act, 2013 for manufacturing of textiles. We have broadly reviewed the books of accounts maintained by the company pursuant to the companies (cost records and Audit) Rules, 2014 as amended and are of opinion that Prima Facie, the prescribed cost records have been made and maintained by the company. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, customs duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31.03.2024 for a period of more than six months from the date they became payable.
- (b) Detail of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2024 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount*	Period	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	Rs.35.03 Lacs	A.Y 2011-12	ITAT

* Amounts disclosed are net of payment made

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessment under the Income Tax Act 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of Loans or other borrowings or in payment of interest thereon to any lender during the year.
- (b) The company has not been declared willful defaulter by any bank or financial institution or other lenders.
- (c) In our opinion and according to the information and explanation given to us by the management, the term loans were applied for the purposes for which the Loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence reporting under clause (x) (a) of the Order is not applicable.
- (b) During the year the company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause (x) (b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge no fraud by the Company and no material fraud on the company has been noticed or reported during the year.
- (b) During the year no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) As represented to us by the management, there were no whistle blower complaints received by the company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause xii of the order is not applicable
- (xiii) In our opinion, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable accounting standards



- (xiv) (a) In our opinion the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the Internal Audit Report issued to the company during the year and covering the period upto March 2024.
- (xv) In our opinion the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the provisions of section 192 of the Companies Act 2013 are not applicable to the company.
- (xvi) (a) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
- (b) The company has not conducted any Non- Banking Financial or Housing Finance Activities.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly clause (xvi)(c) of the order is not applicable.
- (d) There is no core investment company as a part of the group, accordingly clause (xvi)(d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditor of the company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in schedule vii to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly the reporting under clause xx of the order is not applicable for the year.
- (xxi) There are no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements by us.

For KAMBOJ MALHOTRA & ASSOCIATES,
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Manik Malhotra
CA MANIK MALHOTRA
PARTNER

Membership No. 094604
UDIN :24094604BKEBJA8337



Place: Ludhiana
Dated: 30-05-2024

Annexure-B to Auditors' Report

Garg Acrylics Limited- Financial Year ended 31-03-2024

Referred to in paragraph 2 (g) under the heading of "Report on other legal and Regulatory requirements" of our report of even date.

Report on the Internal Financial Controls under Clause(i) of sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GARG ACRYLICS LIMITED ("the Company"), as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on audit of internal financial control over financial reporting issued by the Institute of Chartered Accountant of India (ICAI). These responsibilities includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of internal financial controls over financial reporting ("the Guidance Note") and standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 ("the Act") to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The Procedures selected depend on Auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Company's internal financial controls system over financial reporting .

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on Audit of internal financial control over financial reporting issued by the Institute of Chartered Accountant of India (ICAI).

For KAMBOJ MALHOTRA & ASSOCIATES,
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Manik Malhotra

CA MANIK MALHOTRA
PARTNER
Membership No. 094604
UDIN :24094604BKEBJA8337



Place: Ludhiana
Dated: 30-05-2024

GARG ACRYLICS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2024

(₹. in lakh)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3	40503.24	26998.61
(b) Capital work-in-progress	4	233.69	3248.56
(c) Intangible Assets	5	4.36	4.88
(d) Financial Assets			
- Investments	6	170.14	71.75
- Other financial assets	7	51.96	97.19
(e) Other Non Current assets	8	697.65	1343.16
Total Non-current assets		41661.05	31764.16
2. Current assets			
(a) Inventories	9	40100.87	37062.01
(b) Financial Assets			
- Investments	10	89.54	89.52
- Trade receivables	11	19769.64	17651.29
- Cash and cash equivalents	12	90.69	46.17
- Bank Balance other than above	13	559.29	444.72
- Other financial assets	14	433.07	1426.39
(c) Other current assets	15	7336.68	6214.22
Total Current assets		68379.78	62934.32
Total Assets		110040.83	94698.48
Equity and Liabilities			
Equity			
(a) Equity Share capital	16	664.28	664.28
(b) Other Equity	17	45226.65	47788.61
Total Equity		45890.93	48452.89
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	18	12498.82	5505.41
(b) Provisions	19	441.06	425.15
(c) Deferred tax liabilities (Assets) (Net)	20	402.66	49.16
(d) Other non-current liabilities	21	0.00	1.78
Total Non-current liabilities		13342.54	5981.50
2. Current liabilities			
(a) Financial Liabilities			
- Borrowings	22	40757.68	34420.09
- Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	23(a)	1128.36	14.12
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	23(b)	7570.39	4161.89
- Other financial liabilities	24	110.85	16.09
(b) Other current liabilities	25	1048.80	1410.75
(c) Provisions	26	191.28	205.66
(d) Current tax provisions (net)		0.00	35.48
Total Current liabilities		50807.36	40264.08
Total Equity and Liabilities		110040.83	94698.48

The accompanying notes are integral part of these financial statements

1 to 56

Subject to our separate Report of even date

FOR KAMBOJ MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No. 015848N

Manik Malhotra
C.A. MANIK MALHOTRA
PARTNER
Membership No. 094604
UDIN : 24094604BKEBJA8337



Place : Ludhiana
Dated : 30-05-2024

For and on behalf of the Board of Directors

Rajiv Garg
Rajiv Garg
Mg. Director
(DIN No.00444558)

Sanjiv Garg
Sanjiv Garg
Mg. Director
(DIN No. 00217156)

Ramandeep Singh
Ramandeep Singh
Chief Financial Officer

Priya Rani
Priya Rani
Company Secretary

GARG ACRYLICS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹. in lakh except EPS)

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
I. Revenue from operations	27	160514.11	160177.45
II. Other income	28	227.20	197.66
III. Total income (I+II)		160741.31	160375.11
IV. Expenses :			
Cost of materials consumed	29	113388.99	119307.60
Purchases of stock-in-trade	30	490.34	25.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	2921.22	(9058.04)
Employee benefits expense	32	10501.78	10579.97
Finance costs	33	4784.11	3516.55
Depreciation and amortization expense	3,5	2980.78	3524.00
Other expenses	34	28122.46	29489.96
Total Expenses		163189.69	157365.83
V. Profit(Loss) before exceptional items and tax (III-IV)		(2448.39)	3009.28
VI. Exceptional Items	35	56.90	(129.18)
VII. Profit(Loss) after exceptional items and before tax (V+VI)		(2391.49)	2880.10
VIII. Tax expense:	43		
(1) Current tax		0.00	756.12
(2) Deferred tax		309.45	(106.34)
(3) Prior Year Tax Provisions		(8.01)	1.47
IX. Profit(Loss) for the year (VII-VIII)		(2692.93)	2228.85
X. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	45(f)		
- Remeasurements of the defined benefit plans		175.00	140.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		(44.04)	(35.38)
B (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
XI. Total Comprehensive Income for the year (IX+X)		(2561.98)	2334.05
Earnings per equity share	40		
Basic - Par value of Rs.10 per share		(40.54)	33.55
Diluted - Par value of Rs.10 per share		(40.54)	33.55

The accompanying notes are integral part of these financial statements

1 to 56

Subject to our separate Report of even date


FOR KAMBOJ MALHOTRA & ASSOCIATES
 Chartered Accountants
 Firm Registration No. 015848N



C.A. MANIK MALHOTRA
 PARTNER
 Membership No. 094604
 UDIN : 24094604BKEBJA8337

 Place : Ludhiana
 Dated : 30-05-2024

For and on behalf of the Board of Directors



Rajiv Garg
 Mg. Director
 (DIN No.00444558)



Sanjiv Garg
 Mg. Director
 (DIN No. 00217156)



Ramandeep Singh
 Chief Financial Officer



Priya Rani
 Company Secretary

GARG ACRYLICS LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹. in lakh)

	For the year ended 31st March 2024	For the year ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	-2391.49	2880.10
Adjustments for:		
Depreciation and amortisation	2980.78	3524.00
Interest expense	4485.77	3328.83
Fair Valuation Gain(-)/Loss(+) on Investment	-23.39	1.09
Deferred Revenue on Capital Subsidy	-2.11	-2.11
Interest income	-201.52	-190.87
Profit(-)/Loss(+) on sale of Assets(Net)	-66.90	4.48
Gratuity Provision	1.52	31.74
Gratuity-Other Comprehensive income	175.00	140.59
Operating Profit before working capital changes	4967.67	9717.75
Adjustments for Changes in Working capital:		
Increase(-)/Decrease(+) in Trade and other Receivables	-1556.74	7866.88
Increase(-)/Decrease(+) in Inventories	-3038.86	2890.63
Increase(+)/(Decrease(-)) in Trade Payables and other Liabilities	4220.40	-5447.32
Cash generated from Operations	4592.45	15027.94
Net income tax paid	8.01	-757.60
Net Cash flow from(+)/used in(-) Operating Activities	4600.47	14270.34
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-13600.11	-3853.39
Proceeds from sale of Fixed Assets	87.00	35.49
Increase(-)/Decrease(+) in Investments	-75.01	-65.55
Interest income	201.52	190.97
Net Cash flow from(+)/used in(-) Investing Activities	-13286.60	-3688.49
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds(+)/Repayment(-) from Long Term Borrowings (Net)	6983.56	-4938.80
Redemption of Preference Shares	0.00	-530.44
Proceeds(+)/Repayment(-) from Short Term Borrowings (Net)	6337.60	-1816.67
Interest Paid	-4475.93	-3286.84
Net Cash flow from(+)/used in(-) Financing Activities	8845.22	-10572.55
Net Increase in cash and cash equivalents	159.09	8.30
Cash and cash equivalents at the beginning of the year	490.88	482.58
Cash and cash equivalents at the end of the year	649.97	490.88
Cash and Cash Equivalent include:-		
Cash in hand	88.88	40.79
In Current Accounts	1.81	5.37
In Deposits Accounts	559.29	444.72
Total	649.98	490.88

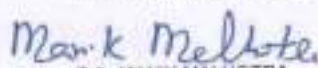
The accompanying notes are integral part of these financial statements

1 to 56

FOR KAMBOJ MALHOTRA & ASSOCIATES

Chartered Accountants

Firm Registration No. 015845N


C.A. MANIK MALHOTRA
 PARTNER

Membership No. 094904

UDIN : 340948048KEBJA8337

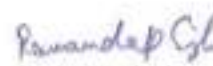


Place : Ludhiana

Dated : 30-05-2024


Rajiv Garg
 Mg. Director
 (DIN No.00444558)


Sanjiv Garg
 Mg. Director
 (DIN No. 00217156)


Ramandeep Singh
 Chief Financial Officer


Priya Kaur
 Company Secretary

GARG ACRYLICS LIMITED
Statement of Changes in Equity

(₹. in lakh except numbers)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Equity Share Capital				
Balance at the beginning of reporting period	6642800	664.28	6642800	664.28
Changes in Equity Share Capital due to prior period errors	0	0.00	0	0.00
Restated Balance at the beginning of the current reporting period	6642800	664.28	6642800	664.28
Changes in equity share capital during reporting period	0	0.00	0	0.00
Balance at the end of reporting period	6642800	664.28	6642800	664.28

Other Equity

Particulars	Reserves & Surplus						Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Equity Component of compound financial instrument	Items of other comprehensive income	
Balance as at 01 April 2023	7636.57	7575.12	30143.83	2000.00	0.00	433.10	47788.61
Changes in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balances at the beginning of the current year	7636.57	7575.12	30143.83	2000.00	0.00	433.10	47788.61
Total Comprehensive income for the year	0.00	0.00	(2692.93)	0.00	0.00	130.95	(2561.98)
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2024	7636.57	7575.12	27450.90	2000.00	0.00	564.05	45226.64
Balance as at 01 April 2022	7636.57	7575.12	29091.86	603.00	750.56	327.89	45985.00
Changes in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balances at the beginning of the current reporting period	7636.57	7575.12	29091.86	603.00	750.56	327.89	45985.00
Total Comprehensive income for the year	0.00	0.00	2228.85	0.00	0.00	105.21	2334.05
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Transferred to Capital Redemption Reserves	0.00	0.00	(1397.00)	1397.00	0.00	0.00	0.00
Redemption of Compound Financial Instrument	0.00	0.00	220.12	0.00	(750.56)	0.00	(530.43)
Balance as at 31 March 2023	7636.57	7575.12	30143.83	2000.00	0.00	433.10	47788.61

The accompanying notes are integral part of these financial statements 1 to 56

Subject to our separate Report of even date

FOR KAMBOJ MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No. 015548N

Manik Malhotra
C.A. MANIK MALHOTRA
PARTNER
Membership No. 094604
UDIN : 24094604BKBJA8337



Place : Ludhiana
Dated : 30-05-2024

For and on behalf of the Board of Directors

Rajiv Garg

Rajiv Garg
Mg. Director
(DIN No.00444558)

Sanjiv Garg

Sanjiv Garg
Mg. Director
(DIN No. 00217156)

Ramandeep Singh
Ramandeep Singh
Chief Financial Officer

Priya Rani
Priya Rani
Company Secretary

NOTES

forming part of Financial statements for the year ended March 31, 2024

1. CORPORATE INFORMATION

Garg Acrylics Limited is a Public Limited Company incorporated in India. The Registered Office of the Company is located at A-50/1, Wazirpur Industrial Area, Delhi-110052. The Company is listed on Metropolitan Stock Exchange of India. The Company is engaged in the manufacturing of Synthetic & Cotton Yarn and readymade garments.

2. MATERIAL ACCOUNTING POLICIES :

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended and other relevant provisions of the Act.

Basis of preparation of presentation

The financial statements have been prepared on a historical cost basis except for certain financial instruments and defined benefits plans which are measured at fair value or amortized cost at the end of each reporting period. The accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

(c) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts, goods & service tax and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Export Incentives

Revenue in respect of the export incentives is recognised on post export basis.

(iv) Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection/settlement thereof.

(d) Goods & Service Tax (G.S.T)

G.S.T. in respect of goods manufactured by the company is accounted for at the time of removal of goods from factory for sale.

(e) Employees Benefits

(i) Short term Employee Benefits :

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

(ii) Post Employment Benefits

(a) Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(b) Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.



[Handwritten signatures]

(f) Property, Plant and Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS and hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

- (a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use.

Depreciation is provided on straight line method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013. Further, significant components of assets identified pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated over their useful life based on the technical evaluation done by the management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(g) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

(h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Net realisable value represents the estimated selling prices less all estimated cost of completion and selling expenses. The cost in respect of the various items of inventory is computed as under:

In case of Raw Materials and Stores & Spares at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of Work in Progress & Finished Goods at weighted average material cost plus conversion costs depending upon the stage of completion.

In case of Waste at Net Realizable Value.

In case of Goods in transit at cost plus expenses incurred up to their present condition and location.

(i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(k) Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



[Handwritten signatures in blue ink]

(l) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(m) Foreign Currency Transactions

(i) Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

(n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

(d) Investments

The Company has adopted to measure investments in Equity Shares at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

(e) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

(iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

(o) Impairment of assets

a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

The carrying amount of the assets is reviewed at each balance sheet date. If there is any indication of impairment based on internal and external factors, an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(p) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

(q) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

(r) Provisions

A provision shall be recognised when:

- (a) an entity has a present obligation as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(s) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly all assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Ind AS 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

(t) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when: -

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- it is due to be settled within twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(u) Exceptional items

Exceptional items are disclosed separately in the financial statements wherein it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

3 Property, Plant and Equipment

Particulars	Original Cost			Depreciation and Amortization			Net Block	
	Balance as at 1st April, 2023	Additions	Disposals	Balance as at 1st April, 2023	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Free-hold Land	3027.53	133.47	0.00	0.00	0.00	0.00	3161.00	3027.53
Buildings	19888.82	1820.82	0.00	6859.04	611.89	0.00	14238.60	13029.58
Plant and Equipment	82487.22	14237.55	101.17	72178.88	2245.86	96.11	22296.19	10308.58
Vehicles	963.02	304.70	106.45	443.45	98.60	81.41	790.63	519.57
Office equipment	259.87	10.33	0.00	229.68	9.09	0.00	31.43	30.19
Furniture and Fixtures	260.25	8.83	0.00	177.06	13.55	0.00	76.48	83.19
Total	106886.51	16513.71	207.62	79887.89	2976.99	177.62	40503.24	26598.61

Particulars	Original Cost			Depreciation and Amortization			Net Block	
	Balance as at 1st April, 2022	Additions	Disposals	Balance as at 1st April, 2022	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Free-hold Land	3042.53		15.00	0.00			3027.53	3042.53
Buildings	19754.94	133.68		6251.27	607.77		13029.58	13503.67
Plant and Equipment	81886.88	611.97	111.43	69483.90	2601.42	86.67	10308.58	12522.78
Vehicles	730.62	273.95	41.55	363.13	88.67	38.35	519.57	337.49
Office equipment	251.77	8.10		220.97	6.71		30.19	30.80
Furniture and Fixtures	222.13	38.12		160.86	16.20		83.19	61.27
Total	105986.87	1065.82	167.98	76480.13	3522.77	125.02	26598.62	29488.55



[Signature]

Harpreet

Ramandeep Sid

Diya

(₹. in lakh)	
For the year ended 31st March, 2024	For the year ended 31st March, 2023
3248.56	460.98
13043.50	3533.23
16058.37	745.65
233.69	3248.56

4. Capital Work in Progress

Balance at the beginning	460.98
Additions	13043.50
Less: Capitalised during the year	16058.37
Balance at the year end	3248.56

Capital work in progress ageing schedule as at March 31, 2024

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	233.69	0.00	0.00	0.00	233.69
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	233.69	0.00	0.00	0.00	233.69

Capital work in progress ageing schedule as at March 31, 2023

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	2787.58	460.98	0.00	0.00	3248.56
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	2787.58	460.98	0.00	0.00	3248.56





 Ramesh Singh



 Ranveer Singh



 Ranveer Singh

5 Intangible Assets	Original Cost		Depreciation and Amortization				Net Block		
	Balance as at 1st April, 2023	Additions	Disposals	Balance as at 1st April, 2023	Depreciation/ Amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2024	Balance as at 31st March, 2023	
Intangible Assets:									
Computer Softwares	12.99	1.26		8.11	1.79		9.90	4.88	
Total	12.99	1.26	0.00	8.11	1.79	0.00	9.90	4.88	
Intangible Assets:									
		Original Cost		Depreciation and Amortization				Net Block	
		Balance as at 1st April, 2022	Additions	Disposals	Balance as at 1st April, 2022	Depreciation/ Amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Computer Softwares	12.99			6.88	1.23	0.00	8.11	4.88	
Total	12.99	0.00	0.00	6.88	1.23	0.00	8.11	4.88	

Intangible Assets are not internally generated.



[Signature]

[Signature]

[Signature]

[Signature]

5 Investments (Non Current)

Particulars	[₹. in lakhs]		
	As at 31st March 2024	As at 31st March 2023	
Financial Assets at FVTPL			
(i) Investment in Equity Instruments (Unquoted) 15,000 Equity Shares of Rs. 10/- each fully paid up of DPG Textiles Limited	5.25	5.23	
(ii) Investment in Equity Instruments (Quoted) 190 Equity Shares of Rs. 10/- each fully paid up of Punjab & Sind Bank	0.12	0.05	
(iii) Investment in Mutual Funds (Unquoted)			
Axi Small Cap Fund	27566.470 Units (Prev. Year 10670.865 Units)	27.35	7.42
Kotak Emerging Equity Fund	23497.504 Units (Prev. Year 8860.873 Units)	27.50	7.43
Nippon India Small Cap Fund	17792.072 Units (Prev. Year 6365.134 Units)	27.47	6.13
NuVama Crossover Opportunities Fund-Series III B-Coil Account	545302.164 Units (Prev. Year 389193.800 Units)	36.28	38.21
PgIn India Midcap Opportunities- Fund	42692.103 Units (Prev. Year 15542.369 Units)	26.18	7.29
	<u>170.14</u>	<u>71.75</u>	
Aggregate amount of Quoted Investments	0.12	0.05	
Market Value of Quoted Investments	0.12	0.05	
Aggregate amount of Unquoted Investments	170.03	71.70	
Aggregate amount of impairment in value of Investments	0.00	0.00	

7 Other Financial Assets (Non Current)

Particulars	As at	
	31st March 2024	31st March 2023
Financial assets at amortized cost		
Fixed Deposits with banks having more than twelve months maturity	50.98	92.00
Interest Receivable on above FDR	0.98	5.19
Total	<u>51.96</u>	<u>97.19</u>

8 Other Non Current Assets

Particulars	As at	
	31st March 2024	31st March 2023
Capital Advances against Building & Machinery	597.65	1343.16
Total	<u>597.65</u>	<u>1343.16</u>

9 Inventories

Particulars	As at	
	31st March 2024	31st March 2023
At cost or net realizable value, whichever is lower		
Raw materials	23043.30	18516.41
Work-in-progress	3996.89	3018.18
Finished Goods	11555.75	15425.68
Stores, Spares & Packing Material	634.93	101.74
Total	<u>40160.87</u>	<u>37062.01</u>

10 Investments (Current)

Particulars	As at	
	31st March 2024	31st March 2023
Trade Investments (At Cost)		
In Capital of Partnership Firm Gerg International	89.54	89.52
	<u>89.54</u>	<u>89.52</u>

The company is one of the partners in the partnership firm M/s Gerg International. The names of all the partners and their profit sharing ratio are as under:-

Name of the Partner	Profit sharing Ratio
Gerg Acrylics Ltd	0.95
Sh. Navneet Sharma	0.05

The Total capital of the said firm is Rs. 8984120.84 as on 31.03.2024.
(Rs. 8982714.57 as on 31-03-2023)



R. Sargheas

Ramandeep Singh

Arje

11 Trade Receivables

(₹. in lakh)

Particulars	As at	
	31st March 2024	31st March 2023
Unsecured, considered good		
Receivable from related parties	0.00	0.00
Receivable from others	19769.54	17651.28
Doubtful	0.00	0.00
Total	19769.54	17651.28
Ageing for Trade		
Undisputed Trade receivables considered good		
Not due	12507.89	10541.47
Less than 6 months	5312.27	4724.41
6 months to 1 year	506.68	992.15
1-2 years	423.58	551.79
3-3 years	342.98	884.40
More than 3 years	595.20	737.07
	19769.54	17651.28

12 Cash and cash equivalents

Particulars	As at	
	31st March 2024	31st March 2023
a) Balances with banks		
- In current accounts	1.81	5.37
b) Cash on hand	88.69	40.79
Total	90.50	46.16

13 Bank Balances other than Cash and cash equivalents

Particulars	As at	
	31st March 2024	31st March 2023
Other bank balances		
- Fixed Deposits with more than twelve months maturity held as margin money - Rs 50.98 lacs (Prev. Year Nil)	50.98	92.00
- Fixed Deposits with less than twelve months maturity including Deposits held as margin money - Rs 100.00 lacs (Prev. Year 13.77 lacs)	559.29	444.72
Sub-Total	610.27	536.72
Less: Amounts disclosed as other financial assets (non current)(refer note 7)	50.98	92.00
Total	559.29	444.72

14 Other financial assets (Current)

Particulars	As at	
	31st March 2024	31st March 2023
Financial assets at amortized cost		
Interest receivables	41.84	617.88
Claims receivable	6.00	888.52
Other Receivables	391.23	0.00
Total	439.07	1429.39

15 Other Current Assets

Particulars	As at	
	31st March 2024	31st March 2023
(unsecured considered good, unless otherwise stated)		
Advances to suppliers	947.82	827.37
Balance with government authorities	5450.90	4715.71
Prepaid expenses	126.42	118.37
Other Recoverables	809.85	762.88
Total	7336.88	6214.22



[Handwritten signatures]

16 SHARE CAPITAL

(₹, in lakh except numbers)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs. 10/- each (par value)	600000	600.00	600000	600.00
0% Non-Cumulative Redeemable Preference Shares of 10/- each	2430000	2430.00	2430000	2430.00
Total	3120000	3120.00	3120000	3120.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10/- each	664200	664.28	664200	664.28

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the reporting period	664200	664.28	664200	664.28
Add: Shares issued during the reporting period	0	0.00	0	0.00
Outstanding at the end of the reporting period	664200	664.28	664200	664.28

b) Rights, preferences and restrictions attached to equity shares

The company's equity shares are having par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend distribution (if any) will be in proportion to the number of equity shares held by the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Detail of Equity Shareholding of the Promoters

	As at 31st March 2024		% of change During the year	
	Number	% shareholding		
Sariv Garg	374400	5.64		0%
Sariv Garg & Sons (HUF)	800	0.01		0%
D.P. Garg & Sons (HUF)	133440	2.01		0%
Ronu Garg	394800	5.94		4.96%
Neelu Garg	5800	0.86		0%
Ujjwal Garg	4000	0.01		0%
Rajiv Garg	330400	4.97		0%
Rajiv Garg & Sons (HUF)	800	0.01		0%
Tooshak Garg	5800	0.86		0%
Shubham Yarns Private Limited	1407520	22.54		0%
GAL Cotrex Private Limited	1063920	16.02		0%
Pushpa Yarns Private Limited	25000	0.39		0%
DPO Textiles Limited	92040	1.39		0%
Arun Nanda	80	0.00		0%
Vimal Nanda	80	0.00		0%
Sunil Nanda	80	0.00		0%
Ravi Nanda	80	0.00		0%
Raj Nanda	80	0.00		0%
Jagdish H. Jain	80	0.00		0%
Arun K. Aggarwal	80	0.00		0%

d) Detail of shareholders holding more than 5% Equity shares in the Company

	As at 31st March 2024		As at 31st March 2023	
	Number	% shareholding	Number	% shareholding
Shubham Yarns Private Limited	1,497,520	22.54	1407520	22.54
GAL Cotrex Private Limited	1,063,920	16.02	1063920	16.02
Himachal Yarns Limited	646,720	9.74	478720	7.21
Sariv Garg	374,400	5.64	374400	5.64
Ashwani Aggarwal	30,800	0.45	300000	5.42
Sunil Aggarwal	360,000	5.42	300000	5.42

e) Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding ultimate holding company of this Company.

f) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and share bought back for the period of five years immediately preceding the reporting date -Nil.



[Signature]

[Signature]

[Signature]

[Signature]

Particulars	Reserves & Surplus						Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Equity Component of compound financial instrument	Items of other comprehensive income	
Balance as at 01 April 2023	7636.57	7575.12	30143.83	2000.00	0.00	433.10	47788.61
Charges in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balances at the beginning of the current year	7636.57	7575.12	30143.83	2000.00	0.00	433.10	47788.61
Total Comprehensive income for the year			(2602.83)			130.95	(2561.98)
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2024	7636.57	7575.12	27450.90	2000.00	0.00	564.05	45228.65
Balance as at 01 April 2022	7636.57	7575.12	29091.86	603.00	750.56	327.89	43065.00
Charges in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balances at the beginning of the current reporting period	7636.57	7575.12	29091.86	603.00	750.56	327.89	43065.00
Total Comprehensive income for the year			2228.85			185.21	2334.05
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Transferred to Capital Redemption Reserve			(1397.00)	1397.00			0.00
Redemption of Compound Financial Instrument			220.12		(750.56)		(530.43)
Balance as at 31 March 2023	7636.57	7575.12	30143.83	2000.00	0.00	433.10	47788.61

Nature and purpose of Reserves**Securities Premium**

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

General Reserve represent amount set aside out of profits of the company for utilisation in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits/losses of the Company earned/incurred till date net of appropriations.

Capital Redemption Reserve

Capital Redemption Reserve represents amounts set aside on redemption of preference shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Equity Component of Compound Financial Instrument

This reserve represent till date gains arising on issue of non cumulative redeemable preference shares measured at fair value through Profit & Loss account.

Items of Other Comprehensive Income

This reserve represents actuarial gains with regard to Gratuity Liability determined by actuarial valuation recognised in Other Comprehensive income which are not classified to Profit or Loss in subsequent periods.



R

Ranveer

Ranveer Singh

Raj

18 Borrowings (Non Current)

Particulars	(₹. in lakh)	
	As at 31st March 2024	As at 31st March 2023
Secured		
Term Loans From banks (Net of unamortized processing charges)	14575.74	9282.24
Less: Current maturities (refer note-22)	2330.50	3910.39
Sub Total	12245.24	5371.86
Vehicles Loans from Banks	395.41	231.06
Less: Current maturities (refer note-22)	141.84	97.50
Sub Total	253.57	133.56
Total	12498.82	5505.41

Details of Security

Term loans from Banks are secured by first pari passu charge on the entire fixed assets of the company alongwith equitable mortgage created on all the immovable assets of the company and further secured by Second Pari-passu charge on the entire current assets except pledged stock of the company and personal guarantee of the promoter directors.

Vehicle Loan from banks are secured by Hypothecation of Vehicles.

Term Loans from Banks are repayable in quarterly instalments.

The year wise repayment of term loans due are as under :-

Year Ended	Amount of Repayment
31/03/2026	2290.78
31/03/2027	2070.20
31/03/2028	1797.60
31/03/2029	1980.09
31/03/2030	1560.09
31/03/2031	1497.78
31/03/2032	1048.73

Yearwise Repayment of Vehicle Loans due are as under:-

Year Ended	Amount of Repayment
31/03/2026	110.88
31/03/2027	70.01
31/03/2028	88.54
31/03/2029	4.04

19 Provisions (Non Current)

Particulars	As at	
	31st March 2024	31st March 2023
Provision for employee benefits : Gratuity (Refer Note no. 45)	441.06	425.15
Total	441.06	425.15

20 Deferred tax liabilities (net)

Particulars	As at	
	31st March 2024	31st March 2023
Deferred tax liabilities		
Gross deferred tax liability (A) [Refer note 43(a)]	581.21	229.74
Deferred tax assets		
Gross deferred tax asset (B) [Refer note 43(a)]	178.55	180.58
Deferred tax liability (Net) (A-B)	402.66	49.16



[Signature]

[Signature] Ranveer Singh

[Signature]

21 Other non-current liabilities

(₹. in lakh)

Particulars	As at	
	31st March 2024	31st March 2023
Non-Financial liabilities at amortized cost		
Deferred Revenue Capital subsidy	0.00	1.78
Total	0.00	1.78

22 Borrowings (Current)

Particulars	As at	
	31st March 2024	31st March 2023
Working capital loans - From banks (secured)	30285.35	30412.20
Current maturities of non current debt	2472.33	4087.89
Total	40757.68	34420.09

Details of security for working capital borrowings

The Working Capital Loans are secured by pledge of warehouse receipts of cotton bales, hypothecation of Stock in trade (except pledged stock), Book Debts and other current assets of the company and further secured by second Pari-passu charge on the entire fixed assets of the company and personal guarantee of Promoter directors.

22(a) Trade payables to Micro and Small Enterprises

Particulars	As at	
	31st March 2024	31st March 2023
Trade payables		
Disputed dues	0.00	0.00
Due to others (refer note no.41)	1128.36	14.12
Total	1128.36	14.12
Ageing for Trade Payables		
Not due	1127.03	14.12
Less than 45 days	1.33	0.00
45 days to 1 year	0.00	0.00
1-2 years	0.00	0.00
2-3 years	0.00	0.00
More than 3 years	0.00	0.00

22(b) Trade payables to Others

Particulars	As at	
	31st March 2024	31st March 2023
Trade payables		
Disputed dues	1.25	23.47
Due to others	7569.13	4138.42
Due to related parties (Refer Note no. 42)	0.00	0.00
Total	7570.38	4161.89
Ageing for Trade Payables (disputed)		
Less than 1 year	0.00	0.00
1-2 years	0.00	0.00
2-3 years	0.00	0.00
More than 3 years	1.25	23.47
Ageing for Trade Payables (others)		
Not due	6248.12	3214.37
Less than 1 year	2224.85	798.83
1-2 years	12.90	119.31
2-3 years	83.26	6.11
More than 3 years	0.00	0.00
Total	7569.13	4138.42



[Signature]

[Signature]

[Signature]

[Signature]

24 Other financial liabilities (Current)

Particulars	As at 31st March 2024	As at 31st March 2023
Financial liabilities at amortized cost		
Other Financial Liabilities	110.85	9.30
Interest payable on Income Tax	0.00	6.78
Total	110.85	16.09

25 Other current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
(₹. in lakh)		
Statutory remittances**	180.26	185.00
Deferred Revenue on Capital subsidy	1.78	2.11
Advances from customers	389.84	183.80
Expenses payable	644.52	1038.81
Other Payables	2.30	0.00
Total	1048.80	1410.75

** Statutory remittances include contribution to provident fund, ESL, TDS, TCS & G.S.T., etc.

26 Provisions

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits - Gratuity (refer note 45)	181.28	205.66
Total	181.28	205.66

27 Revenue from operations

Particulars	As at 31st March 2024	As at 31st March 2023
Sale of products (including G.S.T)	186179.84	188966.07
Other operating revenues - Export benefits	3887.11	3522.96
Gain/(Loss) on foreign currency transactions and translations (Net)	437.16	-301.88
Total	186944.11	190187.15

28 Other income

Particulars	As at 31st March 2024	As at 31st March 2023
Interest income on banks deposits	34.64	30.27
Interest on delayed payments	129.38	87.53
Interest on Insurance Claim	37.63	73.17
Deferred Revenue on Capital Subsidy	2.11	2.11
Deemed gain/(loss) on Fair Value of Investment	23.39	(1.09)
Share of Profit from Partnership Firm	0.03	0.01
Miscellaneous Income	0.16	8.86
Total	227.20	197.86

29 Cost of materials consumed

Particulars	As at 31st March 2024	As at 31st March 2023
Inventory at the beginning of the year	18516.41	30482.30
Add: Purchases during the year	118815.09	107331.70
Less: Inventory at the end of the year	23643.30	18516.41
Cost of materials consumed	113288.99	119307.60
Broad Category for Raw Material Consumed		
Synthetic Fibre	18126.02	18658.88
Cotton Fibre	93382.28	97397.14
Fabric, Yarn for Garments	1428.54	2206.77
Others (Semi Finished yarns)	445.15	944.81
Total	113288.99	119307.60

30 Purchases of Stock-in-trade:

Particulars	As at 31st March 2024	As at 31st March 2023
Synthetic/Cotton Yarn	480.34	0.00
Chemicals/Flex Sheets/PVC Vinyl	0.00	25.79
Total	480.34	25.79



[Handwritten signature]

Sarpreet Ramandeep S&L

[Handwritten signature]

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹. in lakh)

Particulars	As at	
	31st March 2024	31st March 2023
Inventories at the beginning of the year		
Work-in-progress	3018.18	2674.54
Finished goods	13425.68	8295.28
Stock-in-trade of traded goods	0.00	215.00
Sub Total	18443.86	9385.82
Inventories at the end of the year		
Work-in-progress	3066.89	3018.18
Finished goods	11555.75	16425.68
Sub Total	15622.64	18443.86
Total Change in inventories	2921.22	-6058.04

32 Employee benefits expense

Particulars	As at	
	31st March 2024	31st March 2023
Salaries and wages	9565.70	9792.42
Contribution to provident and other funds	595.66	865.21
Conveyance Expenses-Workers	245.41	232.34
Total	10501.78	10579.97

33 Finance costs

Particulars	As at	
	31st March 2024	31st March 2023
Interest expense	4475.93	3279.86
Notional interest on Preference Shares	0.00	37.32
Notional amortisation of Processing Fees	9.84	4.87
Interest on Taxes	0.00	6.78
Other borrowing costs	298.34	187.72
Total	4784.11	3516.55

34 Other expenses

Particulars	As at	
	31st March 2024	31st March 2023
Power & Fuel	14255.95	12273.59
Consumption of Stores and Spares	8132.30	6753.35
Job Charges	756.90	941.19
Repairs to Machinery	1909.82	2975.37
Repairs to Building	61.07	232.42
Repair Others	35.09	37.17
Insurance	239.51	237.32
Vehicle Maintenance	121.70	127.02
Travelling & Conveyance Expenses	180.77	137.02
Postage Courier & Telephone	44.86	44.93
Auditors Remuneration		
-Audit Fee	8.00	7.50
-Tax Audit Fee	5.00	4.50
-Cost Audit Fee	0.60	0.55
Legal & Professional Charges	107.75	123.64
Rates and Taxes	52.65	34.00
Listing Fee	0.55	0.50
Printing & Stationery	42.04	31.44
Subscription & Periodicals	7.37	6.44
General Expenses	71.38	61.97
Corporate Social Responsibility Expenses (Note 52)	191.65	197.81
Charity & Donation	1.35	5.32
Recruitment Expenses	5.18	6.00
Export Expenses	2325.04	3464.52
Cartage Outward	548.71	630.56
Advertisement and Sales Promotion	71.05	29.44
Selling Expenses	955.12	145.05
Brokerage and Commission	687.12	936.74
Total	28122.48	29469.99

35 Exceptional items

Particulars	As at	
	31st March 2024	31st March 2023
Short Settlement of insurance Claim	0.00	-634.67
Interest Settled on Insurance Claim	0.00	506.78
Profit/(+)/Loss(-) on disposal of Property, plant and equipment	56.90	-4.48
	56.90	-129.13



[Handwritten signature]

[Handwritten signature: Sanyas Ramesh Singh]

[Handwritten signature]

36(a) Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

As at 31st March 2024							(₹. in lakh)	
Particulars	At Cost	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory upon initial recognition	Designated upon initial recognition	Mandatory upon initial recognition		
Assets:								
Investments (Non Current) (Refer Note 6)				170.14			170.14	170.14
Other financial non-current assets (Refer Note 7)		51.96					51.96	51.96
Investments (Current) (Refer Note 10)	89.54						89.54	89.54
Trade receivables (Refer Note 11)		19769.64					19769.64	19769.64
Cash and Cash Equivalents (Refer Note 12)		90.69					90.69	90.69
Other Bank Balances (Refer Note 13)		559.29					559.29	559.29
Other financial assets (Current) (Refer Note 14)		433.07					433.07	433.07
Total	89.54	20904.64	0.00	170.14	0.00	0.00	21164.32	21164.32
Liabilities:								
Borrowings (Non Current) (Refer Note 18)		12498.82				0.00	12498.82	12498.82
Borrowings (Current) (Refer Note 22)		40757.68					40757.68	40757.68
Trade Payables (Refer Note 23 (a) &(b))		8698.75					8698.75	8698.75
Other financial liabilities (Current) (Refer Note 24)		110.85					110.85	110.85
Total	0.00	62066.10	0.00	0.00	0.00	0.00	62066.10	62066.10

As at 31st March 2023							(₹. in lakh)	
Particulars	At Cost	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory upon initial recognition	Designated upon initial recognition	Mandatory upon initial recognition		
Assets:								
Investments (Non Current) (Refer Note 6)				71.75			71.75	71.75
Other financial non-current assets (Refer Note 7)		97.19					97.19	97.19
Investments (Current) (Refer Note 10)	89.52						89.52	89.52
Trade receivables (Refer Note 11)		17651.29					17651.29	17651.29
Cash and Cash Equivalents (Refer Note 12)		46.17					46.17	46.17
Other Bank Balances (Refer Note 13)		444.72					444.72	444.72
Other financial assets (Current) (Refer Note 14)		1426.39					1426.39	1426.39
Total	89.52	19665.76	0.00	71.75	0.00	0.00	19827.03	19827.03
Liabilities:								
Borrowings (Non Current) (Refer Note 18)		5505.41				0.00	5505.41	5505.41
Borrowings (Current) (Refer Note 22)		34420.09					34420.09	34420.09
Trade Payables (Refer Note 23 (a) &(b))		4176.01					4176.01	4176.01
Other financial liabilities (Current) (Refer Note 24)		16.09					16.09	16.09
Total	0.00	44117.60	0.00	0.00	0.00	0.00	44117.60	44117.60



[Handwritten signatures]

36 (b) Fair Value Measurement**(i) Fair Value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March 2024		(₹. in lakh)			
Particulars	Fair Value	Fair Value measurement using			
		Level 1	Level 2	Level 3	
Long term Investments					
Fair Value through Profit and Loss	170.14	0.12	5.25	164.77	

As at 31st March 2023		(₹. in lakh)			
Particulars	Fair Value	Fair Value measurement using			
		Level 1	Level 2	Level 3	
Long term Investments					
Fair Value through Profit and Loss	71.75	0.05	5.23	66.46	

37 Contingent Liabilities**Accounting Policy**

In the normal course of business, contingent liabilities arise from litigations and claims. It is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses the same.

Contingencies (to the extent not provided for):-

Particulars	(₹. in lakh)	
	As at 31st March, 2024	As at 31st March, 2023
(i) Bank Guarantees	1441.83	11.81
(ii) Litigation under the Income Tax Act, 1961	35.03	35.03

38 Business segments have been identified based on the nature and class of products and services, assessment of and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the Financial statements.

39 In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

40 Earning Per Share

(a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"

(i) A statement on calculation of basic & Diluted EPS is as under:

Particulars	(₹. in lakh Except EPS)	
	31.03.2024	31.03.2023
Net Profit after tax attributable to equity shareholders (A)	(2692.93)	2228.85
Weighted average number of equity shares (B)	6642800.00	6642800.00
Basic earning per Share (A)/(B)	(40.54)	33.55
Diluted earning per Share (A)/(B)	(40.54)	33.55
Face value per equity share	Rs. 10.00	Rs. 10.00



[Signature]

[Signature]

[Signature]

[Signature]

41 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro & small enterprises.

Sr. No.	Particulars	(₹. in lakh)	
		As at 31st March, 2024	As at 31st March, 2023
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	1128.36	14.12
2	Interest due on remaining unpaid principal amount to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues of Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

42 Related Party Disclosure

(a) Disclosure of Related Parties and relationship between the parties.

1 Subsidiaries	Garg International
2 Key Management Personnel (KMP)	Sanjiv Garg - Managing Director Rajiv Garg - Managing Director Ujjwal Garg - Wholtime Director
3 Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control	Pushpa Yarns Private Limited Shubham Yarns Private Limited DPG Textiles Ltd Gal Cotlex Private Limited
4 Relatives of KMP	Sambhav Garg Aakriti Garg

(b) Description of the nature of transactions with the related parties :-

Particulars	Subsidiaries		Key Management Personnel (KMP)		Relative of Key Management Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	0.00	0.00						
Sale of goods	0.00	0.00						
Interest paid								
Interest received								
KMP Remuneration			170.62	157.62	49.94	43.94		
Loan received							0.00	0.00
Year end balance receivable	126.09	25.37					0.00	0.00
Year end balance payable(receivable)			0.00	0.00			0.00	0.00



[Handwritten signatures]

43 Income taxes:

(a) The detail of deferred tax liabilities and assets as at the end of each reporting period is as under: (₹. in lakh)

	As at 1st April 2022	Movement during 2022-23	As at 31st March 2023	Movement during 2023-24	As at 31st March 2024
Deferred tax Liability					
Impact of Depreciation	218.59	11.27	229.87	345.58	575.45
Fair valuation Gain on investments	0.15	(0.27)	(0.13)	5.89	5.76
Impact of Compound Financial Instruments	142.89	(142.89)	0.00	0.00	0.00
Sub Total (A)	361.63	(131.89)	229.74	351.47	581.21
Deferred tax Asset					
Impact of Unamortised Processing Fees	2.61	12.74	15.35	(2.48)	12.88
Government Grants	1.51	(0.53)	0.98	(0.53)	0.45
Gratuity	150.78	7.99	158.76	0.38	159.15
Punjab Labour Welfare Fund	6.54	(1.05)	5.49	0.59	6.08
Bonus	80.09	(80.09)	0.00	0.00	0.00
Provision for Doubtful Debt	0.00	0.00	0.00	0.00	0.00
Sub Total (B)	241.52	(60.94)	180.58	(2.03)	178.55
Deferred tax liability (Net) (A-B)	120.12	(70.96)	49.16	353.50	402.66

(b) Reconciliation of Deferred tax liabilities (net)

Particulars	Current year	Previous year
Deferred tax liability at the beginning of the year	49.16	120.12
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	309.45	(106.34)
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	44.04	35.38
Deferred tax liability at the end of the year	402.66	49.16

(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate :

Particulars	Current year	Previous year
Accounting profit before tax	(2391.49)	2880.10
Tax at statutory income tax rate of 25.168%	0.00	724.86
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	0.00	(12.40)
Disallowances	0.00	51.13
43B Disallowances	0.00	44.60
Prior Period Items	0.00	1.99
Deductions/Exemption/Non Taxable items	0.00	(66.12)
Fair valuation Gain on investments	0.00	0.27
Deferred Revenue	0.00	(0.53)
Notional Interest	0.00	10.62
Interest on Taxes	0.00	1.71
Income tax expense	0.00	756.12

44 Other Disclosures

- Relationship with Struck off Companies - The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956
- There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
- There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.



[Handwritten signatures]

45 Employee Benefits :

Gratuity plan: The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

The following tables set out the disclosures in respect of the gratuity plan as required under Ind AS 19.

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(a) Changes in the present value of the Plan Assets		
Present value obligation as at beginning of the year	630.82	599.07
Interest cost	46.08	43.17
Past service cost	0.00	0.00
Current service cost	140.36	134.71
Benefits Paid	(9.91)	(5.55)
Actuarial gain(-)/ loss(+) on Obligations	(175.00)	(140.59)
Present value of obligation as at end of the year	632.34	630.82

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(b) Changes in the fair value of the Plan Assets:		
Fair value of Plan Assets as at beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Withdrawal	-	-
Fair value of Plan Assets as at end of the year	0.00	0.00

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(c) Amount recognized in Balance Sheet:		
Present value of obligation as at end of the year	632.34	630.82
Fair value of Plan Assets as at end of the year	0.00	0.00
Funded Status	(632.34)	(630.82)
Present value of unfunded obligation as at end of the year	-	0.00
Unfunded Actuarial (gains)/ losses	-	0.00
Unfunded Net Asset/ (Liability) recognized in Balance Sheet.	0.00	0.00

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(d) Actuarial Gain/Loss on Plan Assets		
Expected Interest Income	0.00	0.00
Actual Income on Plan Asset	0.00	0.00
Actuarial gain/(loss) for the year on Asset	0.00	0.00

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(e) Expenses Recognized in Profit & Loss:		
Past service cost	0.00	0.00
Current service cost	140.36	134.71
Interest cost	46.08	43.17
Expected Interest Income	0.00	0.00
Total Expenses recognised in Profit & Loss Account	186.43	177.88

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(f) OCI Recognized:		
Actuarial gain(-)/ loss(+) for the year on Projected Benefit Obligation	(175.00)	(140.59)
Actuarial (gain)/loss for the year on Asset	0.00	0.00
Unrecognized actuarial (gain)/loss at the end of the year	(175.00)	(140.59)

Particulars	(₹. in lakh)	
	Current Year	Previous Year
(g) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):		
Discount Rate (per annum)	7.24%	7.36%
Rate of increase in compensation levels (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees (years)	23.09	24.02
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.



(Signature) *(Signature)* *(Signature)*

(h) The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

Particulars	As at 31.03.2024	As at 31.03.2023
Discount Rate		
1.00% Increase	(3.91)	(3.14)
1.00% decrease	3.98	3.20
Future Salary Increase		
1.00% Increase	17.68	16.83
1.00% decrease	(16.96)	(16.15)

As per Actuarial Certificate, sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.

(i) The following payments are expected payouts to the defined benefit plan in future years:

Particulars	(₹. in lakh)	
	As at 31.03.2024	As at 31.03.2023
Within 1 year	197.20	212.34
1-5 years	396.41	392.19
Beyond 5 years	196.80	179.08
Total expected payments	790.50	783.62

46 Financial Risk Management

The principal financial assets of the Company includes trade and other receivables, cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, includes loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

a) Foreign currency risk

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 45% of the total sales of the company. Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure to foreign currency risk from financial instruments at the end of each reporting period:

Particulars	As at 31st March 2024	As at 31st March 2023
A) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
-In USD	9292713.07	7101344.35
-In Euro	0.00	181600.56
-In GBP	88323.91	6147.85
-In CHF	60701.92	0.00
Amount hedged through forwards (B)		
-In USD	9292713.07	7101344.35
-In Euro	0.00	181600.56
-In GBP	88323.91	6147.85
-In CHF	60701.92	0.00
Net Exposure to Foreign Currency Assets (C=A-B)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
-In GBP	0.00	0.00
-In CHF	0.00	0.00



[Handwritten signatures]

Particulars	As at 31st March 2024	As at 31st March 2023
B) Exposure on account of Financial Liabilities		
Borrowings, Trade & Other Payables (D)		
-In USD	9194803.83	7459934.06
-In Euro	138900.54	0.00
-In GBP	345709.48	164654.77
-In JPY	0.00	13500000.00
-In CHF	0.00	0.00
Amount Hedged through forwards (E)		
-In USD	9194803.83	7459934.06
-In Euro	138900.54	0.00
-In GBP	345709.48	164654.77
-In JPY	0.00	13500000.00
-In CHF	0.00	0.00
Net Exposure to Foreign Currency Liabilities F=(D-E)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
-In GBP	0.00	0.00
-In JPY	0.00	0.00
-In CHF	0.00	0.00
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
-In GBP	0.00	0.00
-In JPY	0.00	0.00
-In CHF	0.00	0.00

The following significant exchange rates applied during the year:

Particulars	2023-24 (Average exchange rate)	2022-23 (Average exchange rate)	2023-24 (Year end rates)	2022-23 (Year end rates)
INR/USD	82.80	79.01	83.37	82.22
INR/EURO	89.91	87.13	90.22	89.61
INR/GBP	103.58	100.71	105.29	101.87
INR/JPY	0.62	0.62	0.62	0.62
INR/CHF	90.99	85.90	92.42	88.56

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	(₹. in lakh)	
	As at 31-Mar-24	As at 31-Mar-23
10% Strengthening/weakening of USD against INR	8.16	(29.48)
10% Strengthening/weakening of Euro against INR	(12.53)	16.27
10% Strengthening/weakening of GBP against INR	(27.10)	(16.15)
10% Strengthening/weakening of JPY against INR	0.00	(8.34)
10% Strengthening/weakening of CHF against INR	5.61	0.00

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	(₹. in lakh)	
	As at 31-Mar-24	As at 31-Mar-23
Variable rate instruments		
Long term borrowings	12498.82	5505.41
Current maturities of long term debt	2472.33	4007.89
Short term borrowings	38285.35	30412.20



[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹. in lakh)	
	As at 31-Mar-24	As at 31-Mar-23
Increase/ decrease in 100 basis point	557.42	562.56

c) Investment Risk

The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes.

ii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks.

The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date and the provisions are made for doubtful debts. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

Particulars	As at	As at
	31-Mar-24	31-Mar-23
(a) Revenue from top five customers		
- Amount of sales	26,221.29	24244.45
- % of Total sales	16.79	15.45
(b) Provision for doubtful debt		
- Balance at the beginning of the period	0.00	0.00
- Recognized during the year	0.00	0.00
- Balance at the end of the period	0.00	0.00

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 11.

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.



Ro *Sanjeev* *Ramandeep Sg* *Pris*

(iii) Liquidity Risk

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool.

The company plans to maintain sufficient cash to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Borrowings		
0-1 years	2472.33	4007.89
2-3 years	4541.98	3535.82
4-5 years	3850.27	1320.58
More than 5 years	4106.57	649.00
Trade Payables		
0-1 years	8,698.75	4,176.01
2-3 years	0.00	0.00
3-5 years	0.00	0.00
More than 5 years	0.00	0.00
Other Financial liabilities		
0-1 years	110.85	15.09
2-3 years	0.00	0.00
3-5 years	0.00	0.00
More than 5 years	0.00	0.00

47 Capital Management & Gearing Ratio

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by Total capital. The Company's gearing ratio was as follows:

Particulars	Financial Year ended 31.03.2024	Financial Year ended 31.03.2023
Borrowings	53256.50	39925.50
Less: Cash and cash equivalents	649.98	490.88
Net debt	52606.52	39434.62
Total equity	45890.93	48452.89
Gearing ratio (Net Debt to Equity)	1.15	0.81

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2024.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2024(31 March 2023).

48 Assets pledged as Security:-

The Carrying amount of assets pledged as security for current and non-current borrowings are :-

	As at 31st March 2024	As at 31st March 2023
Current Assets		
Financial Assets		
Trade receivables	19,789.64	17,651.29
Non-Financial Assets		
Inventory	40,100.87	37,062.01
Total Current Assets Pledged as Security	59,890.51	54,713.30
Non Current Assets		
Property, Plant & Equipment	40,503.24	26,998.61
Total Non Current Assets Pledged as Security	40,503.24	26,998.61
Total Assets Pledged as Security	100,393.75	81,711.91



[Signature]

[Signature]

[Signature]

[Signature]

- 49 GST ITC and Output Liability are considered in the books w.r.t the purchases/inputs services and sales/output services made during the year. The difference if any at the time of GST audit or any other development information would be provided in the year in which such difference are known/materialised.
- 50 The company has borrowings from bank on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the company except as follows:

Quarter ended		Value as per books of account	Value as per quarterly statement	(₹. in lakh) Discrepancy
31, Mar 2024	Stock	40101	40122	21 *
	Book Debt	19770	19910	140 **

* Monthly Drawing power/stock statement are submitted to bank by 7th of next month. The stocks are valued on estimated basis. The value of stock as per books of accounts are calculated after submission of monthly G.S.T. Returns i.e. by 15th of next month, hence the differences.

** Monthly Drawing power/Book debts statement are submitted to bank by 7th of next month. The bank statements are reconciled with books afterwards i.e. by 15th of next month taking into account Cheque Returned /payment returned /received, hence the difference.

51 Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	VARIANCE %
Current Ratio	Current assets	Current liabilities	1.36	1.56	(13.46)
Debt - Equity Ratio	Total Debt	Shareholder's Equity	1.16	0.82	41.66(*1)
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.58	0.81	-28.40(*2)
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(0.06)	0.05	-220.00 (*2)
Inventory Turnover	Cost of Goods sold	Average Inventory	4.75	4.78	(0.63)
Trade receivables turnover ratio	Revenue	Average Trade Receivable	8.58	7.75	10.71
Trade payables turnover ratio	Purchases	Average Trade Payables	18.53	20.41	(9.21)
Net capital turnover ratio	Revenue	Working Capital	9.13	7.07	28.14 (*3)
Net profit ratio	Net Profits after taxes	Revenue	(1.68)	1.39	-220.88 (*2)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	2.35	7.38	-68.16 (*2)
Return on Investment(ROI)					
Unquoted	Income generated from investments	Time weighted average investments	203.53	(4.45)	4673.710 (*4)
Quoted	Income generated from investments	Time weighted average investments	132.94	66.02	101.36 (*4)

(*1) -Due to availment of fresh term loan during the current year, the ratio has declined more than 25% over the previous year.

(*2) -Due to loss during the current year, the ratio(s) have declined more than 25% over the previous year.

(*3) -Due to better management of Working Capital during the current year, the ratio(s) have improved more than 25% over the previous year.

(*4) -Better realisable value of Quoted/Unquoted Investment has resulted in improvement of ratio(s) more than 25% over the previous year.



R. Sagar *Ranveer Singh* *Biya*

52 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act.

	(₹. in lakh)	
	As at 31st March 2024	As at 31st March 2023
i) Amount required to be spent by the company during the year (Net of excess paid in last fy)	182.65	173.71
ii) Amount of expenditure incurred	191.69	197.81
iii) Shortfall at the end of the year	Nil	Nil
iv) Total of previous years shortfall	Nil	Nil
v) Reason for shortfall	N.A	N.A
vi) Nature of CSR activities	Promoting preventive health care & employment enhancing vocational skills	
vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard :	Nil	Nil
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year :	N.A	N.A
The said amount stands debited to the Corporate Social Responsibility under the head "other expenses".		
The amounts expended are as follows:		
(i) Construction / acquisition of any asset	Nil	Nil
(ii) For purposes other than (i) above	Rs. 191.69 lacs	Rs. 197.81 lacs

53 The code on Social Security 2020

The Code on Social Security 2020 (Code) relating to employee benefits during employment and post employment has been notified in the official Gazette on 25th Sept, 2020. The draft rules have been released on Nov 13, 2020 and suggestions invited from stakeholders are under consideration by the Ministry. The impact of change will be assessed and accounted in the period in which the said rules are notified for implementation.

54 Audit Trail

The Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll, property plant & equipment register, cost records, stock register & consolidation process. Further, where the audit trail (edit log) facility was enabled the same has not been tempered with.

55 There were no significant adjusting events after the reporting period that needs disclosure.

56 Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure. Figures in bracket indicate deductions.

FOR KAMBOJ MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No. 015845N

Mank Malhotra
C.A. MANK MALHOTRA
PARTNER
Membership No. 094604



Place : Ludhiana
Dated : 30-05-2024

For and on behalf of the Board of Directors

Rajiv Garg
Rajiv Garg
Mg. Director
(DIN No. 00444558)

Ramandeep Singh
Ramandeep Singh
Chief Financial Officer

Sanjiv Garg
Sanjiv Garg
Mg. Director
(DIN No. 00217156)

Prateek Jassi
Prateek Jassi
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
GARG ACRYLICS LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GARG ACRYLICS LIMITED (the holding Company) and its subsidiary (collectively referred as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2024, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs at March 31, 2024, of consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

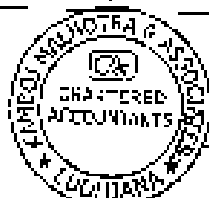
Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under these Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Going concern assumption, financing and covenants</p> <p>The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.</p>	<p>We have used our own internal experts in evaluating the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead. For notes on the Financial Risk Management & Capital Management, see note no. 45 & 46 of financial statements respectively.</p>



Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors/Management are responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated Changes in Equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective management of the company/firm included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management of the company/firm included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

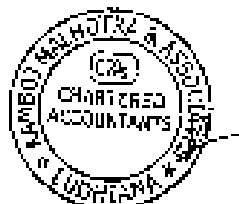
The respective management of the company/firm included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (2) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

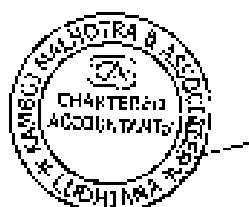
Other Matters

We did not audit the financial statements/financial information of the subsidiary, whose financial statements/financial information reflect total assets of Rs. 126.39 Lacs as at 31st March, 2024, total comprehensive income of Rs. 0.02 Lacs, and net cash inflow amounting to Rs. 0.08 Lacs for the year ended 31st March, 2024 as considered in the consolidated financial statements. These financial statements/financial information certified by the Management have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and the disclosures included in respect of the subsidiary and our report in terms of sub sections (3) and (11) of Section 143 of Act, insofar as it relates to the aforesaid subsidiary, is based solely on such reports of the management.

Our opinion on the consolidated financial statements, and our report on the other legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the management certified reports.

Report on Other Legal and Regulatory Requirements

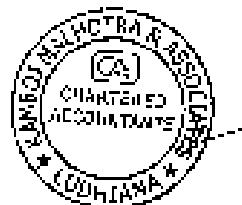
- i) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account, as required by law, relating to preparation of the aforesaid consolidated financial statements have been kept by the Company, so far as it appears from our examination of those books, except for not complying with the requirement of audit trail to the extent stated in (i) (v) below.
 - c) The consolidated Balance Sheet, the consolidated statement of Profit and Loss, the consolidated Cash Flow and consolidated statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2024, taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Group & the operating effectiveness of such controls, refer to our separate report in "Annexure-A".
- n) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(3c) of the Act as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 3) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

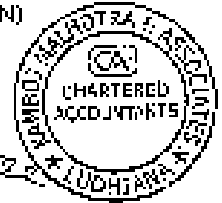
- i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements. Refer Note 38 to the Consolidated Financial Statements.
- ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the above representations under sub-clause (a) and (b) given by the management contain any material mis-statement.
- v) No dividend was declared or paid during the year.
- v) Based on our examination which included test check, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to payroll, property plant & equipment register, cost records, stock register & consolidation process.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.



As provided to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For KAMDOJ MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)



Manik Malhotra
CA MANIK MALHOTRA
PARTNER
Membership No. 094804
UJIN: 240948040KKE0J08517

Place: Ludhiana
Dated: 30-05-2024

Annexure-A to Auditors' Report

Garg Acrylics Limited- Financial Year ended 31-03-2024

Referred to in paragraph 1 (f) under the heading of "Report on other legal and Regulatory requirements" of our report of even date.

Report on the Internal Financial Controls Under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

The Report hereunder on internal financial control is based on the audit of internal financial control of the holding company as neither any report on internal financial control has been received from subsidiary nor the same is applicable to it.

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2024, we have audited the internal financial controls over financial reporting of GARG ACRYLICS LIMITED (the Holding Company) as of that date.

Management's Responsibility for the Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on audit of internal financial control over financial reporting issued by the Institute of Chartered Accountant of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of internal financial controls over financial reporting (the Guidance Note) and standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013 ("the Act") to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by Institute of Chartered Accountants of India. These Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

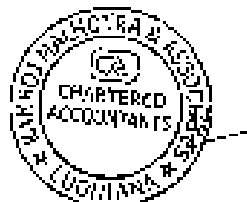
Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting including obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The Procedures selected depend on Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Financial Controls over Financial Reporting

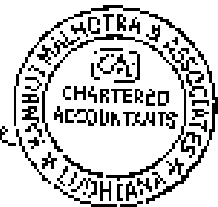
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on Audit of internal financial control over financial reporting issued by the Institute of Chartered Accountant of India (ICAI).

For: KAMBOJ MALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015818N)

Manik Malhotra
CA MANIK MALHOTRA
PARTNER
Membership No. 034004
UDIN : 240346049KEBJB0347



Place: Ludhiana
Dated: 30-05-2024

GARG ACRYLICS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2024

(₹. In Lakhs)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3	45603.25	26958.52
(b) Capital work-in-progress	4	233.68	3248.58
(c) Intangible Assets	5	6.06	4.58
(d) Financial Assets			
- Investments	6	170.14	71.75
- Other financial assets	7	51.98	37.15
(e) Other Non-current assets	8	697.85	1343.16
Total Non-current Assets		46661.08	28754.16
2. Current assets			
(a) Investments	9	40100.27	37062.01
(b) Financial Assets			
- Trade receivables	10	15395.33	17706.08
- Cash and cash equivalents	11	91.38	64.75
- Bank Balance other than above	12	559.29	494.72
- Other financial assets	13	439.57	1426.30
(c) Other current assets	14	7500.14	5214.23
Total Current assets		66380.57	52911.11
Total Assets		113041.65	81665.27
Equity and Liabilities			
Equity			
(a) Equity Share Capital	15	654.22	684.28
(b) Other Equity	16	45286.54	47786.81
(c) Non-controlling interests		0.30	0.20
Total Equity		45941.06	48471.29
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	17	12483.02	5595.41
(b) Provisions	18	441.05	425.16
(c) Deferred tax liabilities (Net)	19	402.05	40.16
(d) Other non-current liabilities	20	3.00	1.78
Total Non-current liabilities		13329.12	6062.51
2. Current liabilities			
(a) Financial Liabilities			
- Borrowings	21	40767.48	24420.05
- Trade payables			
(i) Total outstanding dues of Micro and Small Enterprises	22(a)	1128.25	14.12
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	22(b)	7570.39	4262.55
- Other financial liabilities	23	110.25	12.00
(b) Other current liabilities	24	5246.50	1005.60
(c) Provisions		101.33	705.66
(d) Current tax payable (net)	25	0.50	35.18
Total Current liabilities		50854.16	40303.60
Total Equity and Liabilities		113041.65	81665.27

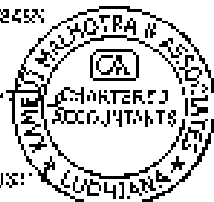
The accompanying notes are integral part of these financial statements.

1 to 67

Subject to our separate Report of every date.

FOR KAMIKOJ MALHOTRA & ASSOCIATES
 Chartered Accountants
 Firm Registration No. 015845X

Mandeep Singh
 G.A. KAMIKOJ MALHOTRA
 PARTNER
 Membership No. 68404
 UIN: 300900BACAEJULS



Place: Ludhiana
 Date: 30-05-2024

For and on behalf of the Board of Directors

Mandeep Singh
 Mandeep Singh
 M.D. No. 00144855

Ramandeep Singh
 Ramandeep Singh
 Chief Financial Officer

Sandeep Singh
 Sandeep Singh
 M.D. No. 00217106

Rajpreet Singh
 Rajpreet Singh
 Company Secretary

GARG ACRYLICS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(C. in lakh except EPS)

Particulars	Nett No.	As at 31st March 2024	As at 31st March 2023
Revenue from operations	25	160514.11	162177.45
Other Income	27	827.83	107.87
I. Total Income (A+I)		161341.94	162285.32
II.			
III. Expenses :			
Cost of materials consumed	28	119388.59	113307.59
IV. Purchase of stock-in-trade	29	490.34	25.79
Change in inventories of finished goods, work-in-progress and stock-in-trade	30	2221.22	(8058.04)
Employees benefits expense	31	10201.70	10472.97
Finance costs	32	4734.18	3416.53
Depreciation and amortisation expense	33	2330.70	1324.01
Other expenses	34	28122.45	29162.95
Total Expenses		163138.70	157368.86
Profit(Loss) before exceptional items and tax (II - V)		(1796.76)	4916.46
VI. Exceptional Items	35	5820	1129.12
VI. Profit(Loss) after exceptional items and before tax (VI+V)		(1214.76)	6045.58
VII. Tax expenses	42		
(1) Current tax		0.00	152.12
VIII. (2) Deferred tax		305.40	(102.34)
(3) Prior Year Tax Provision		(18.71)	1.64
Profit(Loss) for the year (VII-VII)		(1598.06)	7273.86
IX. Other Comprehensive Income	41(5)		
A (i) Items that will not be reclassified to profit or loss			
X - Remeasurement of the defined benefit plans		176.00	143.59
(ii) Income tax relating to items that will not be reclassified to profit or loss		(44.04)	(35.88)
B (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
Total Comprehensive Income for the year (IX+X)		(1566.06)	7237.86
XI. Profit Attributable to:			
- Owners of the parent		(2052.80)	2225.84
- Non Controlling Interest		0.00	(12.17)
		<u>(2052.80)</u>	<u>2213.67</u>
Other Comprehensive Income Attributable to:			
- Owners of the parent		130.85	105.21
- Non Controlling Interest		0.00	0.00
		<u>130.85</u>	<u>105.21</u>
Total Comprehensive Income Attributable to:			
- Owners of the parent		(1921.95)	2331.05
- Non Controlling Interest		0.00	(17.17)
		<u>(1921.95)</u>	<u>2313.88</u>
Earnings per equity share	50		
Basic - Per value of Rs.10 per share		(36.54)	33.55
Diluted - Per value of Rs.10 per share		(40.54)	33.55

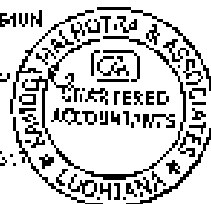
The accompanying notes are integral part of these financial statements

Subject to our separate Report of even date

FOR KAMBUJ MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No. 01684UN

Mamika Malhotra
CA. KAMBUJ MALHOTRA
PARTNER
Membership No. 068804
UDIN: 24634634UKL03850

Place: Lucknow
Date: 30-03-2024



For and on behalf of the Board of Directors

Rajiv Singh
Rajiv Singh
Jt. Director
(DIN No. 00114756)

Ramandeep Singh
Ramandeep Singh
Chief Financial Officer

Sandeep Singh
Sandeep Singh
Jt. Director
(DIN No. 00217168)

P. Singh
P. Singh
Company Secretary

GARG ACRYLICS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

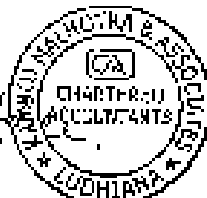
(₹. In lakh)

	For the year ended 31st March 2024	For the year ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	2397.49	2880.09
Adjustments for:		
Depreciation and amortisation	2380.78	3624.04
Interest expense	4485.86	2129.03
Fair Valuation Gain(-)/Loss(+) on Investment	-23.98	1.05
Deferred Revenue on Capital Subsidy	-2.11	-3.11
Interest Income	-207.52	-590.97
Profit(-)/Loss(+) on sale of Assets(Net)	-88.90	4.46
Gratuity Provision	3.62	31.74
Gratuity-Other Comprehensive Income	175.03	140.89
Operating Profit before working capital changes	4867.75	9717.76
Adjustments for Changes in Working capital:		
Increase(-)/Decrease(+) In Trade and other Receivables	-1520.19	7893.88
Increase(-)/Decrease(+) In Inventories	-3030.88	2890.63
Increase(+)/Decrease(-) In Trade Payables and other Liabilities	4102.90	(5488.03)
Cash generated from Operations	4692.60	15031.24
Net Income tax paid	0.01	-757.76
Net Cash flow from/(+)/used in(-) Operating Activities	4692.61	14273.48
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-13600.11	-3653.39
Proceeds from sale of Fixed Assets	87.00	38.49
Purchase of Investments	-75.00	-80.78
Interest Income	204.52	190.57
Increase(-)/Decrease(+) In Investments	-13206.59	-3622.68
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds(+)/Repayments(-) from Long Term Borrowings (Net)	6903.58	-4938.20
Redemption of Preference Shares	0.00	-530.43
Proceeds(+)/Repayments(-) from Short Term Borrowings (Net)	6337.50	-1818.67
Interest Paid	-1476.01	-3288.65
Net Cash flow from/(+)/used in(-) Financing Activities	8815.15	-10572.66
Net Increase in cash and cash equivalents	1599.17	0.24
Cash and cash equivalents at the beginning of the year	491.51	489.27
Cash and cash equivalents at the end of the year	650.67	491.51
Cash and Cash Equivalent includes:-		
Cash In hand	80.41	41.22
In Current Accounts	1.97	6.57
In Deposits Accounts	568.29	443.72
Total:	650.67	491.51

The accompanying notes are integral part of these financial statements

FOR KAMBOJ MALHOTRA & ASSOCIATES
Chartered Accountants

Manik Malhotra
C.A. MANIK MALHOTRA
PARTNER
Membership No. 384604
UDIN : 24094821MEXEEJBF317



Place : Ludhiana
Dated : 20-06-2024

1 to 67

For and on behalf of the Board of Directors

Rajiv Garg
Rajiv Garg
Mg. Director
(DIN No.00441556)

Sandeep Garg
Sandeep Garg
Mg. Director
(DIN No. 03317116)

Ramendarp Singh
Ramendarp Singh
Chief Financial Officer

Priya Rani
Priya Rani
Company Secretary

GARG ACRYLICS LIMITED

Consolidated Statement of Changes in Equity

(₹. In lakh except numbers)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Equity Share Capital				
Balance at the beginning of reporting period	8942800	894.28	8942800	894.29
Changes in Equity Share Capital due to prior period errors	0	0.00	0	0.00
Restated Balance at the beginning of the current reporting period	8942800	894.28	8942800	894.29
Changes in equity share capital during reporting period	0	0.00	0	0.00
Balance at the end of reporting period	8942800	894.28	8942800	894.28

Other Equity

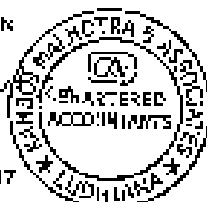
Particulars	Reserves & Surplus						Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Equity Component of compound financial Instrument	Items of other comprehensive income	
Balance as at 01 April 2023	7686.57	7575.12	80642.02	2000.00	0.00	153.10	47766.61
Changes in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balances at the beginning of the current reporting period	7686.57	7575.12	80642.02	2000.00	0.00	153.10	47766.61
Total Comprehensive Income for the year	0.00	0.00	(2852.83)	0.00	0.00	120.86	(2351.60)
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2024	7686.57	7575.12	77789.19	2000.00	0.00	273.96	45684.84
Balance as at 01 April 2022	7686.57	7575.12	29091.08	2000.00	750.59	527.85	45660.00
Changes in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated balances at the beginning of the current reporting period	7686.57	7575.12	29091.08	2000.00	750.59	527.85	45660.00
Total Comprehensive Income for the year	0.00	0.00	2220.04	0.00	0.00	108.21	2328.05
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Transferred to Capital Redemption Reserves	0.00	0.00	(1887.00)	1337.00	0.00	0.00	0.00
Redemption of Compound Financial Instrument	0.00	0.00	220.12	0.00	(750.59)	0.00	(530.47)
Balance as at 31 March 2023	7686.57	7575.12	30443.03	2000.00	0.00	433.14	47788.07

The accompanying notes are integral part of these financial statements 1 to 57

Subject to our separate Report of own date

FOR KAMLO MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No. 068248K

Manik Malhotra
C.A. MANIK MALHOTRA
PARTNER
Membership No. 091604
U.O.N. : 24094804RKE5186317



Place: Ludhiana
Date: 15-05-2024

For and on behalf of the Board of Directors

Rajiv Garg
Rajiv Garg
Mg. Director
(DIN No. 00444253)

Sanjiv Singh
Sanjiv Singh
Mg. Director
(DIN No. 00277566)

Ramesh Singh
Ramesh Singh
Chief Financial Officer

Prakash
Prakash
Company Secretary

NOTES

Forming part of Consolidated Financial statements for the year ended March 31, 2024

1. CORPORATE INFORMATION

Gang Aayles Limited is a Public Limited Company incorporated in India. The Registered Office of the Company is located at A-50/1, Wazirpur Industrial Area, Delhi-110032. The Company is listed on Metropolitan Stock Exchange of India. The Company is engaged in the manufacturing of Synthetic & Culler Yarn and readymade garments. (The Holding Company) Gang Aayles (India) is a partnership firm formed under the Indian Partnership Act, 1932. The firm is engaged in trading of textile products (the Subsidiary) both collectively referred as 'The Group'.

2. MATERIAL ACCOUNTING POLICIES :

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as presented under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Date of preparation of financial statements

The financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value or employed cost at the end of each reporting period. The accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to or existing accounting standard requires a change in the accounting policy in the current year.

(b) Principles of Consolidation

In accordance with Ind AS 101, the company has elected to apply the AS accounting for business combinations prospectively from 1st April 2016. Accordingly, balances relating to business combinations are given into before that date as per Indian GAAP and have carried forward.

Involvement in Subsidiaries

Subsidiaries are all entities over which the group has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The company combines the financial statements of its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses.

Group Intra-Group balances and unrealised gains on transactions between group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the benefited asset.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit and loss and balance sheet respectively.

(c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/realised.

(d) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount is recorded as revenue net of returns, trade discounts, goods & service tax and amount collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses incurred are eligible to be recovered.

(iii) Export Incentives

Revenue in respect of the export incentives is recognised on post-shipment basis.

(iv) Insurance and Other Claims

Revenue in respect of claims is recognised when no significant uncertainty exists with regard to the amount, realizability and the ultimate collection of the claim in the year.

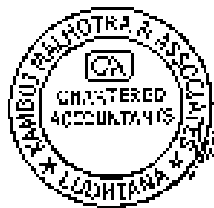
(e) Goods & Service Tax (G.S.T)

G.S.T. in respect of goods manufactured by the company is accounted for at the time of removal of goods from factory for sale.

(f) Employees Benefits

(i) Short Term Employee Benefits :

Short Term Employee Benefits are recognised as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.



[Signature]

[Signature]

[Signature]

[Signature]

(i) Post Employment Benefits

(a) Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(ii) Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, or on group leave, based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuary valuation, performed by an independent actuary, at each balance sheet, valuing the preferred unit credit method.

The Company recognizes the net obligation of a defined benefit plan, if its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses are recognized in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(b) Property, Plant and Equipment

The Company has applied for the one-time transition exemption of considering the carrying value on the transition date (i.e. April 1, 2010) as the deemed cost under IND AS and hence regarded thereof as Historical cost.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

(a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use.

Depreciation is provided on straight line method on the basis of useful lives of such assets specified in Schedule I to the Companies Act, 2013. Further, significant components of assets identified pursuant to the requirements under Schedule I of the Companies Act, 2013 are depreciated over their useful life based on the technique evaluation done by the management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital expenditure under other non-current assets and the cost of assets not yet incurred before such date are disclosed under Capital Work-in-progress.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Derecognition

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

(c) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortisation.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, cost. The amortization method and useful lives are reviewed periodically at end of each financial year.

(d) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value represents the estimated selling prices less all estimated cost of completion and selling expenses. The cost in respect of the value of raw materials is computed as under:

In case of Raw Materials and Stores & Spares at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of Work in Progress & Finished Goods at weighted average material cost and conversion costs depending upon the stage of completion.

In case of Waste at Net Realizable Value.

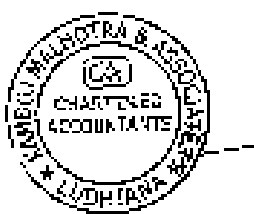
In case of Goods in Transit at cost plus expenses incurred up to their present location and condition.

(e) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of such assets. Qualifying assets are those that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all of the potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actively traded at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are viewed as vested as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period separately.



Handwritten signatures of the auditors.

(j) Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid (or recovered, from the tax authorities, being the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax asset from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect of changes in tax rates or deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company assesses current tax assets and current tax liabilities, where applicable a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(k) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to the grant have complied with and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they were intended to compensate.

(l) Foreign Currency Transactions

(i) Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated or on the recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

Foreign exchange differences recognized as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains or losses are presented in the statement of profit and loss on a net basis.

(m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at their fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is satisfied by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

(d) Investments

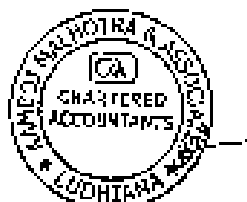
The Company has adopted to measure investments in Equity Shares at cost in accordance with the AS 37 and carrying amount as per provisions GAAP at the date of liquidation has been considered as deemed cost in accordance with the AS 101.

(e) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

[(iii) Derecognition of financial Instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or if it transfers the financial asset and the transfer qualifies for derecognition under IAS 108. A financial liability is derecognized when the obligation specified in the contract is discharged or canceled or expires.



[Handwritten signature]
Ramesh Chander Singh
Chartered Accountant

(h) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market prices, discounted cash flow analysis and valuation (e.g. by the market value).

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

(i) Impairment of assets

a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair value through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to 12-month ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL unless there has been a significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is calculated to be recognized is recognized as an expense or gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

The carrying amount of the assets is reviewed at each balance sheet date. If there is any indication of impairment based on internal and external factors, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(j) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

(k) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

(l) Provisions

A provision shall be recognized when

- (a) a liability has a present obligation as a result of a past event,
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- (c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(m) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly all assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Ind AS' Prescription of Financial Statement IV and Schedule II to the Companies Act, 2013.

(n) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it

- expected to be realized or intended to be sold or consumed in its normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when -

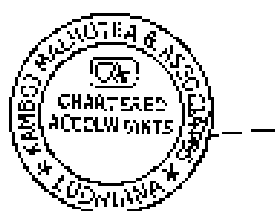
- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- expected to be realized within twelve months after the reporting period, or
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(o) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.



[Handwritten signature]

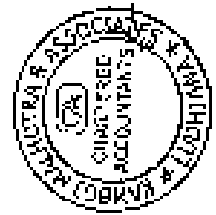
[Handwritten signature]

[Handwritten signature]

3 Property, Plant and Equipment

Particulars	Original Cost			Depreciation and Amortization			Net Book	
	Balance as at 1st April, 2023	Additions	Disposals	Balance as at 1st April, 2023	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Tangible Assets:								
Free-hold Land	3027.53	132.47	0.00	0.00	0.00	0.00	3160.00	3027.53
Buildings	13638.61	1820.82	0.30	5830.03	811.88	0.00	14238.50	13029.58
Plant and Equipment	6240.21	14227.66	101.17	32178.85	2346.85	58.11	22288.20	10508.56
Vehicles	353.02	354.70	106.45	443.45	58.63	81.41	700.64	619.57
Office equipment	258.88	10.33	0.00	223.98	9.08	0.00	31.41	37.15
Furniture and Fixtures	255.25	5.83	3.00	177.06	13.55	0.00	76.48	83.18
Total	19606.61	16613.71	207.62	78807.89	2878.88	177.52	10593.25	26688.62

Particulars	Original Cost			Depreciation and Amortization			Net Book	
	Balance as at 1st April, 2022	Additions	Disposals	Balance as at 1st April, 2022	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Tangible Assets:								
Free-hold Land	3042.50		15.00	0.00			3027.50	3042.50
Buildings	13724.90	135.09		6251.28	807.77		13028.58	13573.67
Plant and Equipment	8186.68	811.97	111.45	68487.21	2801.42	85.07	11990.00	12522.79
Vehicles	700.82	273.86	41.55	383.18	68.57	88.35	518.57	337.40
Office equipment	251.77	4.11		223.97	3.71		36.19	30.80
Furniture and Fixtures	222.19	33.15		150.85	16.28		83.10	97.27
Total	19598.67	1056.62	167.90	79490.72	3622.70	123.42	16007.89	26688.58



Karnataka Chartered Accountants

(€ in lakh)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Balance at the beginning Additers	3249.56	460.99
Less: Capitalized during the year	15043.50	3773.23
Balance at the year end	6059.17	748.65

4 Capital Work In Progress

Balance at the beginning Additers
Less: Capitalized during the year
Balance at the year end

Capital Work in progress ageing schedule as at March 31, 2024

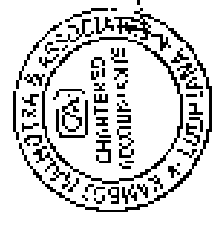
Capital Work in Progress

	Amount in CAPWP for a period of			Total
	1-3 Years	3-5 Years	More than 5 Years	
Projects in progress	234.09	3.00	0.00	237.09
Projects temporarily suspended	Nil	Nil	Nil	Nil
	234.09	3.00	0.00	237.09

Capital work in progress ageing schedule as at March 31, 2023

Capital Work in Progress

	Amount in CAPWP for a period of			Total
	1-3 Years	3-5 Years	More than 5 Years	
Projects in progress	2697.59	460.99	0.00	3158.58
Projects temporarily suspended	Nil	Nil	Nil	Nil
	2697.59	460.99	0.00	3158.58



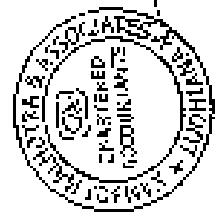
[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

6 Intangible Assets

Particulars	Original Cost			Depreciation and Amortization			Net Book	
	Balance as at 1st April, 2023	Additions	Disposals	Balance as at 1st April, 2023	Depreciation/ Amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Intangible Assets								
Computer Softwares	12.93	1.28	0.00	3.11	1.79	0.00	9.50	4.00
Total	12.93	1.28	0.00	3.11	1.79	0.00	9.50	4.00
	Original Cost			Depreciation and Amortization			Net Book	
	Balance as at 1st April, 2023	Additions	Disposals	Balance as at 1st April, 2023	Depreciation/ Amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Intangible Assets								
Computer Softwares	12.93	0.00	0.00	6.88	1.23	0.00	9.11	6.11
Total	12.93	0.00	0.00	6.88	1.23	0.00	9.11	6.11

Intangible Assets are not physically generated.

[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]



6 Investments (Non Current)

(R.1.2.1)

Particulars	(R.1.2.1)	
	As at 31st March 2024	As at 31st March 2023
Financial Assets of FVPL		
(i) Investment in Equity Instruments (Unquoted)		
15,000 Equity Shares of Rs. 10/- each fully paid up of M/S. C. S. Enterprises Limited	8.20	8.20
(ii) Investment in Equity Instruments (Quoted)	0.42	0.00
180 Equity Shares of Rs. 10/- each fully paid up of Punjab & Sind Bank		
(iii) Investment in Mutual Funds (Unquoted)		
As a Small Cap Fund	27,446.475 (Units) (Prev. Year: 10,070.020 Units)	27.33
Kotak Emerging Equity Fund	3,347.504 (Units) (Prev. Year: 10,020.273 Units)	27.00
Nippon India Small Cap Fund	17,789.373 (Units) (Prev. Year: 8,025.134 Units)	27.47
Investment Growth Opportunities Fund-Series II B-Collection Account	64,009.408 (Units) (Prev. Year: 26,150,000 Units)	64.28
Fidelity Mid Cap Opportunities Fund	4,372.103 (Units) (Prev. Year: 1,542.389 Units)	44.38
Total	110.34	71.75
Appropriate portion of Quoted Investments	0.42	0.00
Market Value of Quoted Investments	0.42	0.00
Appropriate portion of Unquoted Investments	110.00	71.75
Appropriate portion of Investments in Mutual Funds	0.00	0.00

7 Other Financial Assets (Non Current)

Particulars	(R.1.2.1)	
	As at 31st March 2024	As at 31st March 2023
Financial Assets at Amortised Cost		
Bank Deposits with banks having more than 60 days maturity	33.00	33.00
Unpaid Receivables on Govt. GDP	3.00	6.16
Total	36.00	39.16

8 Other Non Current Assets

Particulars	(R.1.2.1)	
	As at 31st March 2024	As at 31st March 2023
Assets Advances and/or Bill of Exchange		
Assets Advances and/or Bill of Exchange	327.35	3248.18
Total	327.35	3248.18

9 Inventories

Particulars	(R.1.2.1)	
	As at 31st March 2024	As at 31st March 2023
Inventory at Cost less Provision for Loss		
Raw material	20,448.10	18,516.71
Work in progress	3,466.89	3,013.10
Finished Goods	1,166.76	18,291.88
Stores, Spares & Packing Material	624.80	10,177.41
Total	25,706.55	49,999.10

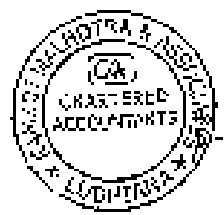
10 Trade Receivables

Particulars	(R.1.2.1)	
	As at 31st March 2024	As at 31st March 2023
Unsettled, unsecured good		
Reserve for unsecured good	0.00	3.00
Reserve for unsecured good	1,809.33	17,759.98
Provision	0.00	0.00
Total	1,809.33	17,762.98
Provision for Trade Receivables		
Unsettled Trade Receivables considered good		
Notes	12,917.81	10,541.47
Less than 6 months	551.27	4754.41
6 months to 1 year	482.00	809.16
1-2 years	142.15	871.79
2-3 years	121.38	162.77
More than 3 years	1,421.00	777.66



Ramonitab Singh





11 Cash and cash equivalents

Particulars	Rs. in Lakhs	
	31st March 2024	31st March 2023
(i) Balance with Banks	1.37	6.57
- In current accounts	99.41	41.22
(ii) Cash on hand		
Total	100.78	47.79

12 Bank balances - other than Current Cash (DD/SA/BS)

Particulars	Rs. in Lakhs	
	31st March 2024	31st March 2023
Other bank balances		
- Fixed Deposits with term less than 12 months (including Deposits held in term money - Rs. 50.00 lakh (Prev. Year Nil))	50.25	69.00
- Fixed Deposits with term less than 12 months (including Deposits held in term money - Rs. 100.00 lakh (Prev. Year 18.77 lakh))	455.22	444.79
Sub-Total	505.47	513.79
Less: Amount due to call on Call Deposits (non current) (see note 1)	60.34	69.00
Total	445.13	444.79

13 Other financial assets (Current)

Particulars	Rs. in Lakhs	
	31st March 2024	31st March 2023
Debt (i) securities held		
Mutual funds/MSDF	14.84	61.22
Debt securities	0.00	200.00
Other financial assets	25.28	0.00
Total	40.12	261.22

14 Other Current Assets

Particulars	Rs. in Lakhs	
	31st March 2024	31st March 2023
Unaccounted current assets, interest due, etc. stated	61.07	627.27
Advances to employees	643.00	4715.71
Balance with government authorities	123.43	11.37
Prepaid expenses	603.05	722.30
Other Recoverables		
Total	1430.55	6176.65

15 SHARE CAPITAL

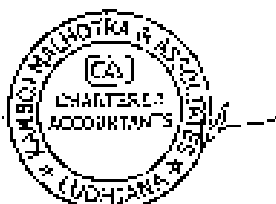
Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Authorized				
Equity shares of Rs. 10/- each (free shares)	6600000	6600.00	1000000	1000.00
14% Non-Cumulative Redeemable Preference Shares of 10/- each	2400000	2400.00	2150000	2150.00
Total	9000000	9000.00	2150000	2150.00

Issued, subscribed and fully paid-up

a) Equity shares of Rs. 10/- each	6600000	6600.00	1000000	1000.00
-----------------------------------	---------	---------	---------	---------

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the reporting period	6646800	6646.80	6646800	6646.80
Add: Shares issued during the reporting period	1	0.00	0	0.00
Customs duty waived off during the reporting period	614891	614.89	614890	614.89



[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]

b) Rights, preferences and restrictions attached to equity shares

The company's equity shares are having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is calculated on a "dividend" proportion to the number of equity shares held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the net assets of the Company, after meeting the liabilities, at the pre-liquidation date. The dividend, if any, will be distributed to the number of equity shares held by the shareholders.

c) Detail of Equity Shareholding of the Promoters

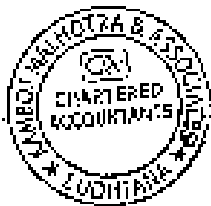
	As at 31st March 2024		% of change during the year
	Number	% shareholding	
Sanku Group	371400	3.62	0%
Sanku Group & Sons (Pvt)	000	0.00	0%
SJP Group & Sons (Pvt)	131140	2.64	0%
Sanku Group	391000	3.54	4.92%
Nanda Group	52000	0.88	0%
Jyoti Group	41000	0.81	0%
Sanku Group	331400	4.27	0%
Sanku Group & Sons (Pvt)	000	0.00	0%
Teekah Group	33000	0.68	0%
Shikhar Yash Prakash Limited	1297500	22.84	0%
Shikhar Prakash Limited	1040500	18.02	0%
Pradip Yash Prakash Limited	22000	0.20	0%
TPG Media Limited	92000	1.20	0%
Amr Khushi	80	0.00	0%
Vijay Khushi	80	0.00	0%
Sudh Khushi	80	0.00	0%
Raj Khushi	80	0.00	0%
Jyoti Khushi	80	0.00	0%
Amr K. Agarwal	80	0.00	0%

d) Data of shareholders holding more than 8% Equity shares in the Company

	As at 31st March 2024		As at 31st March 2023	
	Number	% shareholding	Number	% shareholding
Shikhar Yash Prakash Limited	1,427,000	26.04	1,497,500	26.94
Shikhar Prakash Limited	1,040,500	18.02	1,040,500	18.02
Pradip Yash Prakash Limited	22,000	0.20	22,000	0.20
Sanku Group	3,71,400	3.62	3,71,400	3.62
Ashwan Agarwal	20,000	0.25	20,000	0.25
Sanku Agarwal	260,000	3.42	260,000	3.42

ii) Shares held by holding company or its affiliate holding company or subsidiaries or associates of the holding company or the affiliate holding company, if applicable.
There are no holding or affiliate holding company of the Company.

ii) Appropriate number and class of shares attached as fully paid up (and/or) to contract (if without payment being received in cash, bonds shares and other) to get back for the period of five years immediately preceding the reporting date - Nil.



[Handwritten Signature]

Ramandeep Singh

Harpreet Singh

16 Other Equity

(R in lakhs)

Particulars	Reserves & Surplus						Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Equity Component of compound financial instrument	Items of Other Comprehensive Income	
Balance as at 01 April 2023	7036.57	7576.12	3749.89	3700.00	0.00	156.10	47985.67
Changes in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revised balance as at the beginning of the current year	7036.57	7576.12	3749.89	3700.00	0.00	156.10	47985.67
Total Comprehensive Income for the year			(2002.88)			150.58	1259.07
Transfers to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2024	7036.57	7576.12	3749.89	3700.00	0.00	306.68	48244.74
Balance as at 01 April 2022	7036.57	7576.12	3900.80	600.00	0.00	307.60	45080.00
Changes in Accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revised balance as at the beginning of the current year	7036.57	7576.12	3900.80	600.00	0.00	307.60	45080.00
Total Comprehensive Income for the year			222.84			105.21	2891.07
Transfers to General Reserve							0.00
Agreement Transferred to Capital Redemption Reserve			(1807.00)	1807.00			0.00
Redemption of Compound Financial Instrument			222.84		(750.50)		(605.66)
Balance as at 31 March 2023	7036.57	7576.12	3943.80	3100.00	0.00	412.80	47744.81

Nature and purpose of Reserves

Securities Premium

Securities Premium is used to cover the premium on issue of shares and is used in accordance with the provisions of the Companies Act, 2013.

General Reserve

General Reserve is maintained in accordance with the provisions of the Companies Act, 2013 in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits/losses of the Company accumulated till date of the financial year.

Capital Redemption Reserve

Capital Redemption Reserve is created in accordance with the provisions of the Companies Act, 2013 in accordance with the provisions of the Companies Act, 2013.

Equity Component of Compound Financial Instrument

This reserve represents the value of the compound financial instrument which is treated as equity component of the instrument.

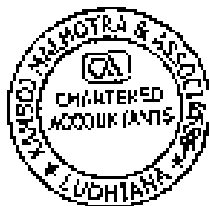
Items of Other Comprehensive Income

This reserve represents amounts of the year which are classified as equity component of the instrument in accordance with the provisions of the Companies Act, 2013.

17 Borrowings (Non Current)

(R in lakhs)

Particulars		
	As at 31st March 2024	As at 31st March 2023
Secured		
Term loans		
From banks (Net of unamortised premium and fees)	14578.74	9382.54
From Government securities (refer note-21)	2012.53	1410.29
Sub Total	16591.27	10792.83
Unsecured loans from banks	337.44	251.18
From Government securities (refer note-21)	141.34	57.50
Sub Total	478.78	308.68
Total	17070.05	11101.51



[Handwritten Signature]

Ramandeep Singh

[Handwritten Signature]

Details of Security

Term loans from Banks are secured by first part proceeds on the on the fixed assets of the company along with available mortgage collateral on of the immovable assets of the company and further secured by Second Part proceeds on the on the company assets except pledged stock of the company and personal guarantee of the promoters of the Co.

Vehicle Loan from banks are secured by hypothecation of Vehicles.

Term Loans from Banks are payable in currency liability mode.

The year wise repayment of Term loans are as under:-

Year Ended	Repayment
31/03/2025	3290.73
31/03/2027	2079.20
31/03/2028	1707.00
31/03/2029	1593.08
31/03/2030	1593.08
31/03/2031	1497.76
31/03/2032	1042.73

Year wise Repayment of Vehicle Loan is the as under:-

Year Ended	Amount of Repayment
31/03/2025	11352
31/03/2027	7501
31/03/2028	6754
31/03/2029	474

18 Provisions (Less Current)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for Employee Provident Fund (Refer Note no. 45)	441.05	425.15
Total	441.05	425.15

19 Deferred tax liability (Less Int)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred tax liability		
Gross deferred tax liability (A) (Refer note 48)(i)	584.21	520.74
Deferred tax assets		
Gross deferred tax asset (B) (Refer note 48)(ii)	172.15	180.68
Deferred tax liability (A) (A-B)	412.06	339.06

20 Other non-current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Non-Financial liability under Section 80EE	0.00	1.28
Deferred Revenue Capital liability		
Total	0.00	1.28

21 Reserves (Current)

Particulars	As at 31st March 2024	As at 31st March 2023
Working capital loans		
Working capital loans - from banks (Secured)	18775.25	10412.20
Current liabilities other than current debt	9272.25	4007.81
Total	28047.50	14420.01

Details of security for working capital borrowings

The Working Capital Loans are secured by way of warehouse receipt of goods, bills of lading, registration of Stock in trade (except pledged stock), Book Debts and other current assets of the company (if any) further secured by secured Party (s) share on the net book value of the company and personal guarantee of promoter and others.



[Signature] → *Prakash Mehta* *[Signature]*

22(a) Trade payables to Micro and Small Enterprises

Particulars	As at	
	31st March 2024	31st March 2023
Trade payables Included dues Due in three months or less	0.00 1138.26	0.00 14.12
Total	1138.26	14.12
Ageing for Trade Payables		
Not due	1127.05	14.12
Less than 45 days	1.35	0.00
45 days to 1 year	0.00	0.00
1-2 years	0.00	0.00
2-3 years	0.00	0.00
More than 3 years	0.00	0.00

22(b) Trade payables to Others

Particulars	As at	
	31st March 2024	31st March 2023
Trade payables Included dues Due to others	1.25 1580.18	20.47 629.09
Provision retained on (refer Note no. 41)	0.00	1.01
Total	1581.43	630.57
Ageing for Trade Payables (Stipulated)		
Less than 1 year	0.00	1.01
1-2 years	0.00	1.01
2-3 years	1.25	21.47
More than 3 years	1.25	21.47
Ageing for Trade Payables (Others)		
Not due	629.12	319.37
Less than 1 year	224.05	738.22
1-2 years	1.25	216.31
2-3 years	31.21	1.11
More than 3 years	1.00	1.11
Total	1097.63	1397.13

23 Other financial liabilities (Current)

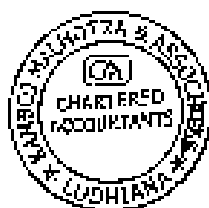
Particulars	As at	
	31st March 2024	31st March 2023
Other financial liabilities Included in Income Tax	10.35 0.31	0.00 0.70
Total	10.66	0.70

24 Other current liabilities

Particulars	As at	
	31st March 2024	31st March 2023
Statutory provisions** Provident Fund on Capital subsidy Adjustment from vendors Expense payable Other Payables	100.86 1.26 100.84 2.70 100.62	105.00 2.41 113.00 0.00 100.61
Total	105.68	121.02
* Statutory provisions include contribution to provident fund, ESI, TDS, TSE & SSI, etc.		

25 Provisions

Particulars	As at	
	31st March 2024	31st March 2023
Provision for employee benefits (refer note 44)	191.83	225.58
Total	191.83	225.58

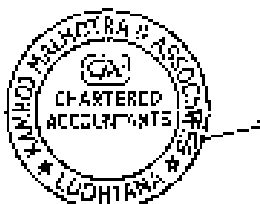


[Signature]

Remandeep Singh

[Signature]

56 Revenue from operations			
Particulars		Rs. Cr.	Rs. Cr.
		31st March 2024	31st March 2023
Sales of exports (including O.S.T)		166,75,34	175,87,57
Other operating revenues - Export credits		9,37,14	35,82,56
Gain on foreign currency transactions and unrealized (Net)		5,77,45	1,04,19
Total		<u>181,89,93</u>	<u>212,74,32</u>
57 Other Income			
Particulars		Rs. Cr.	Rs. Cr.
		31st March 2024	31st March 2023
Interest Income on bank deposits		24,74	26,57
Interest on delayed payments		1,15,33	87,53
Interest on Government Claims		37,63	73,17
Deferred Revenue on Capital Subsidy		3,11	2,11
Deferred gain on Fair Value of Investment		23,33	(1,12)
Miscellaneous Income		5,23	6,56
Total		<u>210,23</u>	<u>197,57</u>
58 Cost of materials consumed			
Particulars		Rs. Cr.	Rs. Cr.
		31st March 2024	31st March 2023
Inventory of LHS beginning of the year		181,541	84,82,21
Add: Purchases during the year		118,45,33	107,33,70
Less: Inventory of the end of the year		28,43,03	1,31,41
Cost of materials consumed		<u>171,56,41</u>	<u>193,84,90</u>
Export Category for Non-Material Goods (Net)			
Synthetic Fibre		10,26,07	1,38,88
Cotton Fibre		6,38,33	27,37,14
Fabrics/Yarn for Shrimex		1,42,51	2,88,77
Others (Bent Finished yarn)		415,12	24,81
Total		<u>18,47,03</u>	<u>34,89,60</u>
59 Purchases of Stock-in-trade		(Net in lakh)	
Particulars		Rs. Cr.	Rs. Cr.
		31st March 2024	31st March 2023
Synthetic Tulle Yarn		4,90,34	0,00
Cotton Fibre (Shrimex) (Net)		1,12	25,79
Total		<u>4,91,46</u>	<u>25,79</u>
60 Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Particulars		Rs. Cr.	Rs. Cr.
		31st March 2024	31st March 2023
Inventory of the beginning of the year			
Work-in-progress		9,01,51	10,71,51
Finished goods		1,24,85,75	5,55,55
Stock-in-trade of finished goods		1,12	21,00
Sub Total		<u>1,34,88,28</u>	<u>16,48,06</u>
Inventory of the end of the year			
Work-in-progress		3,28,33	1,18,18
Finished goods		1,25,57,75	1,42,61,68
Sub Total		<u>1,28,86,08</u>	<u>1,43,79,86</u>
Total Change in inventories		<u>2,23,32</u>	<u>1,60,06</u>
61 Employee benefits expense			
Particulars		Rs. Cr.	Rs. Cr.
		31st March 2024	31st March 2023
Salaries and wages		9,15,70	5,19,42
Contribution to provident and other funds		1,11,00	5,43,21
Employee benefits (Net)		5,15,41	2,62,84
Total		<u>15,42,11</u>	<u>8,25,47</u>



[Handwritten Signature]

Ramesh Singh

[Handwritten Signature]

12 Finance costs

Particulars	As at 31st March 2024	As at 31st March 2023
Interest expense	675.04	219.85
National Interest on Preference Shares	5.00	27.32
National contribution of Processing Fees	6.04	4.87
Interest Taxes	5.00	6.78
Other borrowing costs	218.34	157.73
Total	919.42	316.55

13 Other expenses

Particulars	As at 31st March 2024	As at 31st March 2023
Share & Fund	14255.95	12275.56
Contribution of Shares and Bonds	6132.23	6783.20
Club Charges	759.51	341.19
Expenses for Medicine	1837.25	2070.37
Expenses for clothing	51.07	735.49
Expenses for Office	36.04	57.47
Insurance	216.51	337.28
Vehicle Maintenance	74.73	157.52
Traveling & Conveyance Expenses	135.77	157.28
Postage Courier & Telephone	41.75	44.23
Auditors Remuneration		
- Audit Fee	8.03	7.50
- Tax Audit Fee	5.03	4.50
- Cost Audit Fee	2.63	6.55
Legal & Professional Charges	107.75	153.34
Government Taxes	57.65	34.25
Utility Fee	2.25	6.25
Printing & Stationery	47.01	34.44
Subscription & Periodicals	7.37	1.44
General Expenses	74.24	51.57
Corporate Social Responsibility Expenses (Not Q2)	194.63	157.51
Charity & Donation	4.25	5.25
Employment Expenses	0.75	6.25
Export Expenses	2325.04	3484.22
Carriage Inward	718.71	526.25
Advertisement and Sales Promotion	71.85	25.46
Selling Expenses	455.12	146.25
Entertainment and Amusement	657.12	526.24
Total	28722.43	29466.56

14 Exceptional items

Particulars	As at 31st March 2024	As at 31st March 2023
Short Settlement of Insurance Claims	5.05	52.00
Interest Settlement on Insurance Claims	5.03	510.76
Profit/(Loss) on disposal of Fixed Assets and equipment	52.83	4.46
	62.91	-123.76



[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

35(a) Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

As at 31st March 2024

Particulars						(₹. in lakh)	
	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Investments (Non-Current) (Refer Note 6)			170.14			170.14	170.14
Other financial non-current assets (Refer Note 7)	51.86					51.86	51.86
Trade receivables (Refer Note 10)	18,895.33					18,895.33	18,895.33
Cash and Cash Equivalents (Refer Note 11)	91.39					91.39	91.39
Other Bank Balances (Refer Note 12)	659.29					659.29	659.29
Other financial assets (Current) (Refer Note 13)	433.07					433.07	433.07
Total	21,031.09	0.00	170.14	0.00	0.00	21,201.17	21,201.17
Liabilities:							
Borrowings (Non-Current) (Refer Note 17)	12,498.82				0.00	12,498.82	12,498.82
Borrowings (Current) (Refer Note 21)	40,757.88					40,757.88	40,757.88
Trade Payables (Refer Note 22a & 22b)	8,698.75					8,698.75	8,698.75
Other financial liabilities (Current) (Refer Note 23)	110.85					110.85	110.85
Total	62,066.10	0	0	0	0	62,066.10	62,066.10

As at 31st March 2023

Particulars						(₹. in lakh)	
	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Investments (Non-Current) (Refer Note 6)			71.75			71.75	71.75
Other financial non-current assets (Refer Note 7)	57.19					57.19	57.19
Trade receivables (Refer Note 10)	17,775.88					17,775.88	17,775.88
Cash and Cash Equivalents (Refer Note 11)	46.79					46.79	46.79
Other Bank Balances (Refer Note 12)	444.72					444.72	444.72
Other financial assets (Current) (Refer Note 13)	1,426.50					1,426.50	1,426.50
Total	19,792.08	0.00	71.75	0.00	0.00	19,863.83	19,863.83
Liabilities:							
Borrowings (Non-Current) (Refer Note 17)	5,505.41				0.00	5,505.41	5,505.41
Borrowings (Current) (Refer Note 21)	34,420.00					34,420.00	34,420.00
Trade Payables (Refer Note 22a & 22b)	4,276.67					4,276.67	4,276.67
Other financial liabilities (Current) (Refer Note 23)	18.09					18.09	18.09
Total	44,218.26	0	0	0	0	44,218.26	44,218.26



[Signature]

Ramandeep Singh

[Signature]

35 (b) Fair Value Measurement

(i) Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March 2024		(₹. In lakh)		
Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair value through Profit and Loss	170.14	0.12	5.25	164.77

As at 31st March 2023		(₹. In lakh)		
Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through Profit and Loss	71.75	0.05	5.23	66.45

36 Contingent Liabilities

Accounting Policy

In the normal course of business, contingent liabilities arise from litigation and claims. It is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extreme rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses the same.

Contingencies (to the extent not provided for):-

Particulars	(₹. In lakh)	
	As at 31st March, 2024	As at 31st March, 2023
(i) Bank Guarantees	144.63	11.61
(ii) Litigation under the Income Tax Act, 1961	35.03	35.03

37 Business segments have been identified based on the nature and class of products and services, assessment of any disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the Financial statements.

38 In accordance with Ind AS-36 on 'Impairment of Assets' the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

39 Earning Per Share

(a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on 'Earning Per Share'

(i) A statement on calculation of basic & Diluted EPS is as under:

Particulars	(₹. In lakh Except EPS)	
	31.03.2024	31.03.2023
Net Profit after tax attributable to equity shareholders (A)	(2862.93)	2220.64
Weighted average number of equity shares (B)	8542800.00	8442800.00
Basic earning per Share (A)/(B)	(40.54)	26.30
Diluted earning per Share (A)/(B)	(40.54)	26.35
Face value per equity share	Rs. 10.00	Rs. 10.00



[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

40 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro & small enterprises.

		(₹. In lakhs)	
Sr.	Particulars	As at 31st March, 2024	As at 31st March, 2023
No.			
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	1120.36	14.12
2	Interest due on remaining unpaid principal amount to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Names of Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

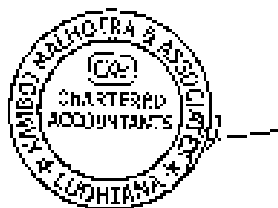
41 Related Party Disclosure

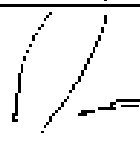

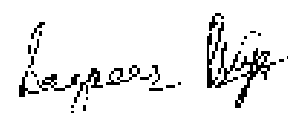
(a) Disclosure of Related Parties and relationship between the parties.

- | | | |
|---|--|--|
| 1 | Key Management Personnel (KMP) | Sandeep Garg - Managing Director
Rajiv Garg - Managing Director
Ujjwal Garg - Wholesale Director |
| 2 | Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control. | Punjab Yarns Private Limited
Saubhain Yarns Private Limited
OPG Textiles Ltd
Gai Gallex Private Limited |
| 3 | Relatives of KMP | Sandeep Garg
Aakshi Garg |

(b) Description of the nature of transactions with the related parties :-

Particulars	Subsidiaries		Key Management Personnel (KMP)		Relative of Key Management Personnel (KMP)		Enterprises (KMP) which KMP is able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	₹	₹						
Sale of goods	₹	₹						
Interest paid								
Interest received								
KMP Remuneration			170.62	157.63	49.94	49.94		
Year end balance receivable	128.09	25.37	-	-	-	-	-	-
Year end balance payable (receivable)			-	-	-	-	-	-



42 Income taxes:

(a) The detail of deferred tax liabilities and assets at the end of each reporting period is as under:					(% in lakhs)
	As at 1st April 2022	Movement during 2022-23	As at 31st March 2023	Movement during 2022-23	As at 31st March 2024
Deferred tax Liabilities					
Impact of Depreciation	218.92	11.27	229.87	840.02	376.46
Fair value Gain on investments	0.15	(0.87)	(0.41)	5.15	5.78
Impact of Compound Financial Instruments	142.86	(142.86)	0.00	0.00	0.00
Sub Total (A)	361.93	(131.05)	229.74	351.47	382.24
Deferred tax Asset					
Impact of Unamortised Processing Fees	2.81	12.74	15.95	(2.47)	12.58
Government Grants	1.54	(0.53)	0.99	(0.63)	0.45
Gratuity	150.72	7.95	158.75	0.75	162.16
Employees' Provident Fund	0.51	(0.05)	0.42	0.00	0.00
House	0.00	(0.00)	0.00	0.00	0.00
Provision for Doubtful Debt	0.00	0.00	0.00	0.00	0.00
Sub Total (B)	155.58	(0.04)	155.54	(2.02)	153.52
Deferred tax liability (Net) (A-B)	206.35	(131.09)	74.20	353.49	228.72

(b) Reconciliation of deferred tax liabilities (net)

Particulars	Current year	Previous year
Deferred tax liability at the beginning of the year	48.75	120.12
Balance tax (income)/expenses during the year recognized in Statement of Profit and Loss	320.45	(106.74)
Deferred tax (income)/expenses during the year recognized in Other Comprehensive Income	44.04	83.30
Deferred tax (income)/expenses during the year recognized in P&L (net of equity)	0.00	0.00
Deferred tax liability at the end of the year	402.65	45.68

(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate:

Particulars	Current year	Previous year
Accounting profit before tax	(2785.18)	2680.69
Total statutory income tax rate of 25.168%	0.50	721.66
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	0.50	(12.49)
Life Insurance	0.00	31.13
438 Deductions	3.00	44.80
Provision for Doubtful Debt	0.00	2.00
Bad Debts/Exceptional/Weak Items	3.00	(55.17)
Foreign Currency Gain on Investments	0.00	0.27
Dividend Revenue	0.00	(0.00)
Notional Interest	0.00	15.62
Provision for Doubtful Debt	0.00	1.71
Income tax expense	5.00	735.14

43 Other Disclosures

- Relationship with Bank of Companies - The Company does not have any connected or relationships with any companies stipulated under Section 248 of the Companies Act, 2013 or Section 690 of the Companies Act, 1956.
- The Company has no transactions that have been abandoned or discontinued during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
- There are no charges or encumbrances of any nature to be registered with Registrar of Companies beyond the statutory period.
- The Company does not have any litigated property, where any proceeding has been initiated or pending against the Company for (a) (i) any Benami property;
- (ii) The Company has not traded or issued in Cryptocurrency or Virtual Currency during the financial year.
- The Company have neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary.
- The Company is in compliance with the number of layers prescribed under clause (b7) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017 (as amended).
- The Company has not been declared as a (i) defaulter by any Bank or Financial Institution or other Lender.



[Handwritten signature]
[Handwritten signature]

44 Employee Benefits :

Gratuity plan: The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement. In terms of the provisions of the Payment of Gratuity Act.

The following table set out the disclosures in respect of the gratuity plan as required under Ind AS 19

(a) Changes in the present value of the Plan Assets	IN IN Lakhs	
Particulars	Current Year	Previous Year
Present value of obligation as at beginning of the year	630.62	659.07
Interest cost	46.05	43.47
Post service cost	0.00	0.00
Current service cost	140.95	128.71
Benefits Paid	(5.97)	(6.45)
Actuarial gain/(loss) on Obligations	(175.00)	(140.80)
Present value of obligation as at end of the year	632.54	680.00

(b) Changes in the fair value of the Plan Assets:	IN IN Lakhs	
Particulars	Current Year	Previous Year
Fair value of Plan Assets as at beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Withdrawal	-	-
Fair value of Plan Assets as at end of the year	0.00	0.00

(c) Assumptions recognized in Balance Sheet:	IN IN Lakhs	
Particulars	Current Year	Previous Year
Present value of obligation as at end of the year	632.54	680.00
Fair value of Plan Assets as at end of the year	0.00	0.00
Funded Status	(632.54)	(680.00)
Present value of unfunded obligation as at end of the year	-	0.00
Unfunded actuarial gain/(loss) on assets	-	0.00
Unfunded Net Asset/(Liability) recognized in Balance Sheet	0.00	0.00

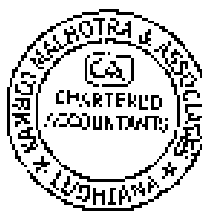
(d) Actuarial Gain/Loss on Plan Assets	IN IN Lakhs	
Particulars	Current Year	Previous Year
Expected interest income	0.00	0.00
Actual income on Plan Assets	0.00	0.00
Actuarial gain/(loss) for the year on Asset	0.00	0.00

(e) Expenses Recognized in Profit & Loss:	IN IN Lakhs	
Particulars	Current Year	Previous Year
Post service cost	0.00	0.00
Current service cost	140.30	128.71
Interest cost	46.05	42.17
Expected interest income	0.30	0.00
Total Expenses recognized in Profit & Loss Account	176.65	170.88

(f) GFI Requirements:	IN IN Lakhs	
Particulars	Current Year	Previous Year
Actuarial gain/(loss) for the year on Projected Benefit Obligation	(175.00)	(140.80)
Actuarial gain/(loss) for the year on Asset	0.00	0.00
Unrecognized actuarial gain/(loss) at the end of the year	(175.00)	(140.80)

(g) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted averages)	Current Year	Previous Year
Discount Rate (per annum)	7.00%	7.00%
Rate of increase in compensation levels (per annum)	6.00%	4.00%
Employee Average remaining working lives of employees (years)	21.00	24.00
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases considered in actuarial valuation are subject to inflation, salary, premium and other relevant factors, which is supply and demand in employee market.



[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

(h) The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

Particulars	As at 31.03.2024	As at 31.03.2023
Discount Rate		
1.0% Increase	(1.51)	(3.14)
1.0% Decrease	1.69	3.23
Future Salary increase		
1.0% Increase	17.63	16.81
1.0% Decrease	(13.95)	(16.15)

As per Actuarial Certificate, sensitivities due to mortality & withdrawal are not material. Hence impact of change has not been calculated.

(i) The following payments are expected payouts to the defined benefit plan in future years:

(₹. in lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Within 1 year	187.30	212.51
1-5 years	593.41	592.19
Beyond 5 years	195.10	173.04
Total expected payments	975.81	977.74

G) Financial Risk Management

The principal financial assets of the Company include trade and other receivables, cash and bank balances, investments directly from its associates. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and has issued financial risk and the appropriate financial risk governance framework for the Company.

The Company explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks.

1) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk, being: currency risk, interest rate risk, investment risk.

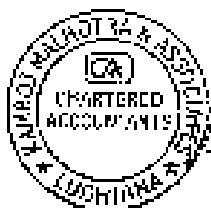
a) Foreign currency risk

The company operates internationally and business is conducted in several currencies. The export sales of company comprise around 48% of the total sales of the company. Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee against most developed against foreign currencies. Foreign exchange risk arises from foreign receivables (transactions) and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company manages the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure to foreign currency risk from financial instruments at the end of each reporting period.

Particulars	As at 31st March 2024	As at 31st March 2023
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounting) (A)		
- In USD	622713.07	751164.35
- In Euro	0.00	11500.50
- In GBP	61323.91	6147.85
- In CHF	61701.52	0.00
Amount hedged through forwards (B)		
- In USD	622713.07	751164.35
- In Euro	0.00	11500.50
- In GBP	61323.91	6147.85
- In CHF	61701.52	0.00
Net Exposure to Foreign Currency Assets (A-B)		
- In USD	0.00	0.00
- In Euro	0.00	0.00
- In GBP	0.00	0.00
- In CHF	0.00	0.00



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

e) Investment Risk

The company does not actively invest equity instruments. Equity investments are mainly used for strategic purposes during 2023.

f) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally transacts deposits with banks.

The company also assesses the creditworthiness of the customer internally to secure goods and take on credit terms in the normal course of business. The reporting of each customer is carried in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on debt to claim basis for the customer due or past due at the end of each reporting date and the provisions are made for doubtful debts. The company has not considered an allowance for doubtful debts in case of trade receivables that are overdue but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenue generated from top five customers of the company and allowance for the expected credit loss:

Particulars	As at	
	31-Mar-24	31-Mar-23
(a) Revenue from top five customers		
- Amount of sales	20,271.39	21,241.46
- % of total sales	18.7%	15.46
(b) Provision for doubtful debt		
- Balance at the beginning of the period	0.00	0.50
- Provisions during the year	0.00	0.50
- Balance at the end of the period	0.00	0.50

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 11.

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the trade receivables.

g) Liquidity Risk

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and bank deposits and the cash flow that is generated from operations.

The company monitors the risk of shortage of funds to meet the interest liabilities using a liquidity planning tool.

The company plans to maintain sufficient cash to meet the obligations as and when fall due.

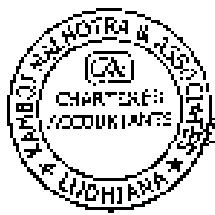
The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at	
	31-Mar-24	31-Mar-23
Borrowings		
0-1 years	2492.38	4097.09
2-3 years	4041.80	2515.82
4-5 years	3685.27	1040.69
More than 5 years	4106.67	640.00
Trade Payables		
0-1 years	8686.70	4298.87
2-3 years	0.00	0.00
3-5 years	0.00	0.00
More than 5 years	0.00	0.00
Other Financial liabilities		
0-1 years	150.05	18.00
2-3 years	0.00	0.00
3-5 years	0.00	0.00
More than 5 years	0.00	0.00

46 Capital Management & Dividend Policy

The capital includes the equity capital, share premium and other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain sufficient capital structure to ensure good of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of its financial covenants which otherwise would permit the loans to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.



[Handwritten Signature]
 Ramandeep Singh
 Chartered Accountant

The Company maintains capital and a gearing ratio, which is defined as debt to total capital. The Company's gearing ratio was as follows:

Particulars	Rs. In Lakhs	
	Financial Year ended 31.03.2024	Financial Year ended 31.03.2023
Debt	63258.61	38955.85
Less: Cash and cash equivalents	630.67	456.31
Net debt	62627.94	38499.54
Total equity	55894.23	46455.69
Gearing ratio (Net debt to equity)	1.12	0.83

Further, there have been no breaches in the financial covenants of any financial-banking loans and borrowings in the current year ended 31st March 2024.

There were no changes in the objectives, policies or procedures for managing capital during the year ended 31 March 2024 (31 March 2023).

47 Related to other entities

The consolidated financial statements present the consolidated accounts of Gang Acrylics Limited with its subsidiary Gang International.

Name of Entity	Activities	% of stake	
		As at 31st March 2024	As at 31st March 2023
Gang International (Partnership Firm)	Trading	87%	100%

48 Assets pledged as Security:-

The Company's current Liabilities are secured by assets as follows:-

	As at	
	31st March 2024	31st March 2023
Current Assets		
Financial Assets		
Trade receivables	18,096.00	11,778.00
Non-Financial Assets		
Inventory	40,190.07	37,052.01
Total Current Assets Pledged as Security	58,286.07	54,830.01
Non Current Assets		
Property, Plant & Equipment	40,698.25	26,968.62
Total Non-Current Assets Pledged as Security	40,698.25	26,968.62
Total Assets Pledged as Security	98,984.32	81,798.63

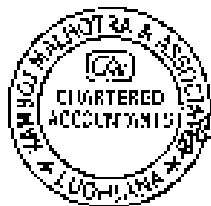
49 GST ITC and Output Credit is considered in the books with the over-accumulated services and sales. Input service credit during the year. The difference, if any of the amount of GST and/or any other development, if any, will be provided in the year in which such difference is known to the level.

50 The company has borrowed from banks on the basis of security of current assets. The quantity returns or statements filed by the company with such banks are incorporated with the books of accounts of the company as set out as follows:-

Date/Period	Particulars	Rs. In Lakhs	
		Value as per books of account	Value as per bank's statement
31, Mar-2024	Bank Debt	41001	40222
		19825	18840

* Monthly Drawing power bank statements are entered in bank by 25th of each month. The statements are received on the basis of the value of 25th of each month of account and bank statements are submitted with books of account monthly. Balance as per 25th of each month, hence the difference.

** Monthly Drawing power bank statements are submitted to bank by 25th of each month. The bank statements are received on the basis of 25th of each month of account and bank statements are submitted with books of account monthly. Balance as per 25th of each month, hence the difference.



(Signature)
 Muhammad Saif
 Partner

81 Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	As at		VARIATION %
			31st March 2024	31st March 2023	
Current Ratio	Current Assets	Current Liabilities	1.25	1.28	(2.28)
DE - Equity Ratio	Equity	Debt	1.15	0.82	41.46 (1)
Debt to Capital Employed Ratio	Debt	Capital Employed	0.63	0.81	20.40 (12)
Return on Equity (ROE)	Profit after tax	Average Shareholders Equity	10.05	0.05	220.00 (74)
Return on Assets	Profit after tax	Average Total Assets	4.75	4.95	(0.82)
Return on Investment	Revenue	Average Total Assets	8.62	7.71	9.67
Return on Net Assets	Profit after tax	Average Net Assets	18.23	18.78	(0.05)
Return on Assets	Revenue	Average Total Assets	9.13	7.07	29.74 (73)
Capitalization	Equity	Equity	11.63	1.75	220.00 (74)
Return on Assets (ROA) (2024)	Profit after tax	Average Total Assets	2.25	7.38	20.15 (12)
Return on Assets (ROA) (2023)					
Equity	Equity	Total Assets	720.51	27.81	2891.20 (14)
Debt	Debt	Total Assets	182.94	50.07	104.36 (74)

- (1) - Due to availability of funds from bank during the current year, the ratio has declined more than 25% over the previous year.
- (2) - Due to loss during the current year, the ratio(s) have declined more than 25% over the previous year.
- (3) - Due to better management of working Capital during the current year, the ratio(s) have improved more than 25% over the previous year.
- (4) - Better realizable value of Current Income Investment has resulted in improvement of ratio(s) more than 25% over the previous year.

82 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit to be immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are education of hunger and malnutrition, promoting education, skill development, healthcare, disaster relief and rehabilitation, environmental development projects. A CSR committee has been formed by the company as per the Act.

	₹ in lakhs	
	As at 31st March 2024	As at 31st March 2023
(i) Amount required to be spent by the company during the year:	100.25	178.71
(ii) Amount of expenditure incurred:	21.85	187.51
(iii) Shortfall at the end of the year:	NI	NI
(iv) Total of previous years shortfalls:	NI	NI
(v) Excess for current year:	NA	64.5
(vi) Nature of CSR activities:	Promoting education & health care including preventive healthcare	
(vii) Details of related party transactions, if any, which are not controlled by the company or related to CSR activities as per relevant Accounting Standards:	NI	NI
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the nature of it in the period during the year:	NA	NA

The said amount is not deducted to the Corporate Social Responsibility under the head "other expenses".

The amount expended are as follows:

(i) Construction / acquisition of any asset	10.80	187.51
(ii) For purchase of any intangible asset		

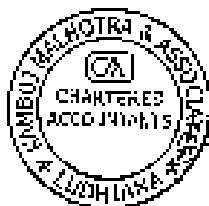
83 The Code on Social Security 2020

The Code on Social Security 2020 (Code) relating to employee benefits during employment and post employment has been notified in the official Gazette on 29th Sept, 2020. The draft rules have been released on Nov 18, 2020 and suggestions received from stakeholders are under consideration by the Ministry. The impact of change will be assessed and announced in the period in which the code rules are notified for implementation.

84 Audit Trail

The Company has used accounting software for maintaining its books of account, which have a feature of recording a digital (pdf) log facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that the feature of recording digital (pdf) log facility was not available at the database level to log any usual data changes for the accounting software used for maintaining the books of account relating to payroll, property plant & equipment register, bank records, stock register & remuneration register. Further, where the digital (pdf) log facility was enabled the same has not been compared with.

85 There were no significant accounting events after the reporting period that needs disclosure



[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

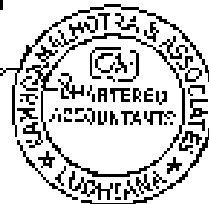
66 For Disclosure mandated by Schedule III of the Companies Act, 2013, by way of additional information, refer below:

Name of the entity in the Group	Net assets (i.e. total assets minus total liabilities)		Share In Profit (Loss)		Share in Other Comprehensive Income		Share In Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
2023-24								
Parent								
Gang Analytics Ltd	100.00%	15080.83	100.00%	-2622.95	100.00%	100.85	100.00%	-2591.08
Subsidiary								
Gang International	0.23%	09.24	0.00%	0.32	0.00%	0.00	0.00%	0.02
Non Controlling Interest	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
2022-23								
Parent								
Gang Analytics Ltd	100.00%	48452.28	100.01%	2228.85	100.00%	105.21	100.01%	2834.06
Subsidiary								
Gang International	0.10%	09.03	0.00%	0.50	0.00%	0.00	0.00%	0.00
Non Controlling Interest	0.00%	0.00	0.01%	-0.17	0.00%	0.00	-0.01%	-0.17

5) Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification & disclosure. Figures in bracket indicate decrease.

FOR KAMRUP MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No. 015948N

Manik Malhotra
C.A. MANIK MALHOTRA
PARTNER
Membership No. 094604
UDIN : 240948049XEBJ065347



Place of signature
Dated: 02/01/2024

For and in behalf of the Board of Directors

Hariv Gang
Hariv Gang
Mg. Director
(DIN No. 00444500)

Sanjiv Gang
Sanjiv Gang
Mg. Director
(DIN No. 00217132)

Ramandeep Singh
Ramandeep Singh
Chief Financial Officer

Prateek
Prateek
Company Secretary

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from audited financial statements for the financial years ending March 31, 2024, March 31, 2023 and March 31, 2022 and for the unaudited financial statement for the six month period ended on September 30, 2024. For further details please refer to the chapter titled “*Financial Statements*” beginning on page 77 of this Letter of offer.

Particulars	For the sixth month period ended on	Financial Year ended on		
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Basic EPS (₹)	3.08	-40.54	33.55	298.25
Diluted EPS (₹)	3.08	-40.54	33.55	298.25
Return on Net Worth	0.45%	-5.71%	4.69%	53.74%
Net Assets Value per Equity Share (₹)	694.59	690.84	729.41	702.26
EBITDA (₹ in Lakhs)	4921.60	5089.30	9852.18	34718.43

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Diluted earnings per share	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Return on net worth (in %)	Total comprehensive income for the year/ Average Net Worth. Average Net Worth is average of opening and closing Net Worth. Net Worth here refers to the aggregate of equity and other equity as shown on the face of the Annual Financial Statements.
Net asset value per Equity Share	Net Worth/ Number of Equity Shares outstanding as at the year end
EBITDA	EBITDA is profit before exceptional items and tax minus other income plus finance costs, depreciation and amortization expense

This space is intentionally left blank

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our limited reviewed financial results for period ended September 30, 2024, and audited financial statements for the fiscal 2024, fiscal 2023 and fiscal 2022 included in this Letter of offer. Our limited reviewed financial results for period ended September 30, 2024, and audited financial statements for Fiscal 2024, Fiscal 2023 and Fiscal 2022, are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Garg Acrylics Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “Financial Statements” for limited reviewed financial results for period ended September 30, 2024 and for the Financial Years 2024, 2023 and 2022 included in this Letter of offer beginning on page 77 of this Letter of offer.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

The Company is engaged in manufacturing and trading of textile products namely basic yarns, specialty yarn, fabrics, readymade garments and Dying. We offer one-stop solution for yarn requirements, catering to both domestic and foreign markets. We have also been recognized by Government of India as a “Four Star Export House. The company obtained Import and Export code (IEC) from the Directorate General of Foreign Trade, Ministry of Commerce & Industry.

At present, we manufacture following four major verticals viz. Yarn Division, Fabric Division, Readymade Garment Division and Dying Division. For further details, please refer to the chapter titled ‘Our Business’ beginning on page 63 of this Letter of offer

For further details, please refer section titled “**Our Business**” on page 63 of this Letter of offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 23 of this Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies;
- Company’s results of operations and financial performance;
- Our ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which we are involved;
- Market fluctuations and industry dynamics beyond our control;
- Conflict of interest with our promoter and other related parties;
- Other factors beyond our control;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Inflation could trigger an increase in consumer price inflation, which would dampen growth.
- Unfavourable economic development.

- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.
- Availability of cost-effective sources of capital;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.;
- Our ability to successfully execute our growth strategies;
- General Economic and Market Conditions;
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Changes in the value of the Indian rupees and other currencies;
- Arising any type of pandemic situation.

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2024, as required by Ind AS and other applicable standards, see section titled “Financial Information” on page 77.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Information” on page 77 of this Letter of offer, there has been no change in the accounting policies during the Fiscal 2024 and period ended September 30, 2024.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors’ report for Fiscal 2024.

SUMMARY OF THE RESULT OF OPERATIONS

Our Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the financial results of the company.

(₹ in Lakhs)

Particulars	For the period ended September 30, 2024	(%)*	For the year ended March 31, 2024	(%)*	For the year ended March 31, 2023	(%)*	For the year ended March 31, 2022	(%)*
I. Revenue from Operations	84,975.32	99.86%	1,60,514.11	99.86%	1,60,177.45	99.88%	1,94,032.73	99.83%
II. Other Income	120.43	0.14%	227.2	0.14%	197.66	0.12%	337.51	0.17%
III. Total Income (I+II)	85,095.75	100.00%	1,60,741.31	100.00%	1,60,375.11	100.00%	1,94,370.25	100.00%
IV. Expenses:								
Cost of material consumed	63,335.86	74.43%	1,13,388.99	70.54%	1,19,307.60	74.39%	1,12,750.91	58.01%
Purchases of Stock-in-trade	0	0.00%	490.34	0.31%	25.79	0.02%	5,168.71	2.66%
Changes in inventories of finished goods, work in-progress and stock-in-trade	-3,747.79	-4.40%	2,921.22	1.82%	-9,058.04	-5.65%	-1,589.89	-0.82%

Employee Benefits expense	5,806.52	6.82%	10,501.78	6.53%	10,786.49	6.73%	10,461.08	5.38%
Finance costs	2,857.35	3.36%	4,784.11	2.98%	3,516.55	2.19%	4,698.54	2.42%
Depreciation and amortization expense	1822.48	2.14%	2,980.78	1.85%	3,524.00	2.20%	4,091.85	2.11%
Power & Fuel	7,300.27	8.58%	-	-	-	-	-	-
Other expenses	7,358.86	8.65%	28,122.46	17.50%	29,263.44	18.25%	32,533.66	16.74%
Total Expenses	84,733.56	99.57%	1,63,189.69	101.52%	1,57,365.83	98.12%	1,68,114.87	86.49%
V. Profit before Exceptional Items and Tax (III-IV)	362.2	0.43%	-2,448.39	-1.52%	3,009.28	1.88%	26,255.38	13.51%
VI. Exceptional Items	0	0.00%	56.9	0.04%	-129.18	-0.08%		0.00%
VII. Profit (Loss) after exceptional items and before tax (V+VI)	362.2	0.43%	-2,391.49	-1.49%	2,880.10	1.80%	26,255.38	13.51%
VIII. Tax Expenses	-	0.00%	-	-	-	-	-	-
(1) Current Tax	0.00	0.00%	0	0.00%	756.12	0.47%	6,688.01	3.44%
(2) Deferred Tax	-157.41	-0.18%	309.45	0.19%	-106.34	-0.07%	-206.84	-0.11%
(3) Prior Year Tax Provisions	0.00	0.00%	-8.01	0.00%	1.47	0.00%	-45.79	-0.02%
IX. Profit (loss) after tax (VII-VIII)	204.79	0.24%	-2,692.93	-1.68%	2,228.85	1.39%	19,820.00	10.20%

* (%) column represents percentage of total income.

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Income

- **Revenue from operations:**

Revenue from Operations majorly comprises of the revenue from customers which is derived from the sale of products.

- **Other Income:**

Other Income mainly comprises of Interest income, deemed gain from fair value of investments and other miscellaneous income.

Expenses

Our expenses primarily consist of Cost of Material Consumed, Purchase of stock-in-trade, Change in inventories of finished goods, work-in-progress and stock-in-trade, Employee Benefits Expense, Finance Costs, Depreciation and amortisation expense and Other Expenses.

- **Cost of Material Consumed**

The cost included in consumption of raw material.

- **Purchase of Stock in Trade**

It includes the cost for acquisition of goods or merchandise intended for resale in business.

- **Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

It is the difference of Closing Stock and Opening Stock.

- **Employee Benefit Expenses**

It includes Salaries and Wages, Contribution to provident and other funds and other conveyance expenses related to workers.

- **Finance Costs**

Finance cost consist of interest expenses, notional amortization expenses of processing fees and other borrowing costs.

- **Depreciation and Amortisation**

It includes Depreciation on Buildings, Plant & Equipment, Vehicles, Office Equipment and Furniture & Fixtures.

- **Other Expenses**

Other expense mainly comprises of expenses related to Power & Fuel, Stores & Spares, Job charges, Machinery, Building and other repairs, insurance, vehicle maintenance, Travelling & Conveyance Expenses, Postage, Courier & Telephone expense, Audit expenses, Legal & Professional charges, Export expenses etc.

- **Tax Expenses**

Tax expense comprises of current tax, previous year taxes, and deferred tax.

FINANCIAL YEAR 2023-24 COMPARED WITH THE FINANCIAL YEAR 2022-23

Total Income

Our total income increased by 0.23% to ₹ 1,60,741.31 Lakhs for the financial year 2023-24 from ₹ 1,60,375.11 Lakhs for the financial year 2022-23 due to the factors described below:

- **Revenue from operations**

Our revenue from operations increased by 0.21% to ₹ 1,60,514.11 Lakhs for the financial year 2023-24 from ₹ 1,60,177.45 Lakhs for the financial year 2022-23. The increase was mainly due to increase in gain on foreign currency transactions.

- **Other Income**

The other income increased by 14.94% to ₹ 227.20 Lakhs for the financial Year 2023-24 from ₹ 197.66 Lakhs for the financial year 2022-23. The increase was mainly due to increase in Interest income and deemed gain on fair value of investments.

Total Expenses

Total Expenses increased by 3.70% from ₹ 1,57,365.83 Lakhs in the financial year ended March 31, 2023 to ₹ 1,63,189.69 Lakhs in the financial year ended March 31, 2024. Our total expenses increased due to the factors described below:

- **Cost of Material Consumed**

The cost of material consumed for Fiscal 2024 is ₹ 1,13,388.99 Lakhs as compared to ₹ 1,19,307.60 Lakhs for Fiscal 2023 representing a decrease of 4.96%. This decrease was due to lower consumption of inputs.

- **Purchase of Stock in Trade**

The purchase of stock in Trade increased by 1801.28% to ₹ 490.34 Lakhs in the Fiscal 2024 from ₹ 25.79 Lakhs in the Fiscal 2023.

- **Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

The changes in inventories of finished goods, work-in-progress and stock-in-trade for the Fiscal 2024 is ₹ 2,921.22 Lakhs as compared to -₹ 9,058.04 Lakhs for the Fiscal 2023. The change is due to lower opening balance of stock in the previous year.

- **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage decreased by ₹ 284.71 Lakhs and 2.64% from ₹ 10,786.49 Lakhs in the Fiscal 2023 to ₹ 10,501.78 Lakhs in the Fiscal 2024. Overall employee cost has decreased due to decrease in salary & wages.

- **Finance Costs**

The Finance Cost increased by ₹ 1,267.56 Lakhs in the Fiscal 2024 and it was ₹ 3,516.55 Lakhs in the Fiscal 2023.

- **Depreciation & Amortization Expenses**

Depreciation in terms of value and percentage decreased by ₹ 543.22 Lakhs and 15.41% from ₹ 3,524.00 Lakhs in the Fiscal 2023 to ₹ 2,980.78 Lakhs in the Fiscal 2024. Decrease in depreciation is due to diminishing value of assets.

- **Other Expenses**

Other Expenses in terms of value and percentage decreased by ₹ 1,140.98 Lakhs and 3.90% from ₹ 29,263.44 Lakhs in the Fiscal 2023 to ₹ 28,122.46 Lakhs in the Fiscal 2024. Other Expenses has marginally decreased mainly due to decrease in consumption of stores and spares, repair expenses and recruitment expenses.

Profit Before Tax

Profit before tax in terms of value and percentage decreased by ₹ 5,271.59 Lakhs and 183.03% from ₹ 2,880.10 Lakhs in the Fiscal 2023 to -₹ 2,391.49 Lakhs in the Fiscal 2024. Profit before Tax has decreased due to high total expenses.

Net Profit After Tax

Net Profit has decreased by ₹ 4,921.78 Lakhs from profit of ₹ 2,228.85 Lakhs in Fiscal 2023 to profit of -₹ 2,692.93 Lakhs in the Fiscal 2024. Due to high expenses in Fiscal 2024.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “Financial Statements” beginning on page 77 of this Letter of offer.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Letter of offer, there have been no significant developments after March 31, 2024 (the date of the latest audited balance sheet) and September 30, 2024 included in this Letter of offer that may affect our future results of operations.

This space has been left blank intentionally

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the Letter of offer including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material'.

For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations;

Unless stated to the contrary, the information provided below is as of the date of this Letter of offer.

A. OUTSTANDING LITIGATIONS

1. Outstanding litigations involving the Company:

(a) Litigation against Company:

Type of case	Litigation Number/ Case Number/Year	Plaintiff	Amount involved	Status of Litigation
Income Tax Appeal against ITAT decision in our favour	ITA (178)/2023 High Court of Delhi	PR. COMMISSIONER OF INCOME TAX CENTRAL LUDHIANA	₹ 9.30 Cr	Sub-Judice Next date of hearing- 02.04.2025
TUF-Subsidy appeal against High Court decision in our favour	LPA(683)/2022 High Court of Delhi	UNION OF INDIA	Tuf Claim yet not filed	Sub-Judice Next date of hearing- 07.04.2025
Commercial Appeal (CA) against NCDRC decision in our favour	C.A. No. 006173 - / 2023 Supreme Court of India	United India Insurance Company Limited	₹ 14.29 Cr	Sub-Judice Next date of hearing- 25.02.2025
CMA - CIVIL MISCELLANEOUS APPEAL Appeal against Lower Court stay granted in our favour.	(225)/2023 District Court, Ludhiana(District and Sessions Court, Ludhiana)	UNION OF INDIA	JIT in TUFs case. No demand raised yet.	Sub-Judice Next date of hearing- 25.02.2025
CIVIL SUIT 1604/2021	1604/2021 District and Sessions Court Complex, Ferozepur(Civil Judge Senior Division, Ferozepur)	Pioneer Packaging, Nonika	₹ 0.03 Cr	Sub-Judice Next date of hearing- 17.02.2025

CS - CIVIL SUIT Land Dispute	CS-701/2022 District Court, Ludhiana(District and Sessions Court, Ludhiana)	Sikander Singh	₹ 0.01 Cr	Sub-Judice Next date of hearing- 27.02.2025
---------------------------------	---	----------------	-----------	---

(b) Case/Appeal by Company:

Type of case	Case/Appeal Number	Defendant	Amount involved	Status of Litigation
CMA - CIVIL MISCELLANEOUS APPEAL	1653/2023 District Court, Ludhiana(Chief Judicial Magistrate, Ludhiana)	UNION OF INDIA	JIT in TUFS case. No demand raised yet	Sub-Judice Next date of hearing-04-03-2025
COMA - COMPLAINT ACT (Negotiable Instrument Act 1881)	47233/2023 47230/2023 District Court, Ludhiana(Chief Judicial Magistrate, Ludhiana)	M/S SHRI SHYAM SPIN TEX	₹ 0.10 Cr	Sub-Judice Next date of hearing-03-02-2025 Sub-Judice Next date of hearing-28-02-2025
COMA - COMPLAINT ACT (Negotiable Instrument Act 1881)	45438/2022 45437/2022, 45436/2022, 45434/2022, 45432/2022, District Court, Ludhiana(Chief Judicial Magistrate, Ludhiana)	M/S TOP WORK APPARELS	₹ 0.10 Cr	Sub-Judice Next date of hearing-13-02-2025
COMA - COMPLAINT ACT (Negotiable Instrument Act 1881)	45484/2022 District Court, Ludhiana(Chief Judicial Magistrate, Ludhiana) 12451/2016 District Court, Ludhiana(Chief Judicial Magistrate, Ludhiana) 270/2014 District Court, Ludhiana(Chief Judicial Magistrate, Ludhiana) 54617/2013 District Court, Ludhiana (Chief Judicial Magistrate, Ludhiana)	M/S RUNIT FABRICS	₹ 0.51 Cr	Sub-Judice Next date of hearing-04-02-2025 Sub-Judice Next date of hearing-05-02-2025 Sub-Judice Next date of hearing-05-02-2025 Sub-Judice Next date of hearing-05-02-2025
EXE-EXECUTION	45/2019 District Court, Ludhiana (Civil	M/s Shree Trading Company, Priyansh Jaiswal	₹ 0.07 Cr	Sub-Judice Next date of hearing-28-02-

	Judge Senior Divison, Ludhiana)			2025
COMA - COMPLAINT ACT (Negotiable Instrument Act 1881)	926/2024 District Court, Ludhiana (Civil Judge Senior Divison, Ludhiana)	M/s A.K.Yarn Plus	₹ 0.48 Cr	Sub-Judice Next date of hearing-07-05- 2025
CS - CIVIL SUIT	3957/2024 District Court, Ludhiana (Chief Judicial Magistrate, Ludhiana)	M/S ROYALE SPORTSWEAR	₹ 0.05 Cr	Sub-Judice Next date of hearing-25-02- 2025

2. Outstanding litigations involving Company's directors and Promoters.

(a) Litigations by Company's directors and Promoters:

Type of case	Litigation Number/ Case Number	Complainant/De fendant	Amount involved	Status of Litigation
COMA - COMPLAINT ACT (Negotiable Instrument Act 1881)	43911/2013 43329/2013 District Court, Ludhiana (Civil Judge Senior Divison, Ludhiana)	Sh Sanjiv Garg V/s M/s R.K.Alloys	₹ 0.12 Cr	Sub-Judice Next date of hearing-15-02- 2025
CS - CIVIL SUIT District Court, Ludhiana(Civil Judge Senior Divison, Ludhiana)	1253/2023	Shubham Yarns Private Limited V/s M/S ATUL THREAD HOUSE	₹ 0.22 Cr	Sub-Judice Next date of hearing-27-02- 2025
CS - CIVIL SUIT District Court, Ludhiana(Civil Judge Senior Divison, Ludhiana)	1280/2023	Shubham Yarns Private Limited V/s M/s MOK Yartex	₹ 0.18 Cr	Sub-Judice Next date of hearing-24-02- 2025

(b) Litigation against Company's directors and Promoters:

Type of case	Litigation Number/ Case Number	Plaintiff/Respondent	Amount involved	Status of Litigation
Application for removal of plaintiff's name in co- accused in the case	29736/2014 33013/2014 The High Court of Punjab and Haryana, Chandigarh	Raj Kumar Goyal V/s Sh Sanjiv Garg	--	Sub-Judice Next date of hearing- 13.05.2025
CS - CIVIL SUIT Land Dispute	1758/2021 District Court, Ludhiana(Civil Judge Senior Divison, Ludhiana)	Amardeep Singh Grewal V/s Smt Neelu Garg	--	Sub-Judice Next date of hearing- 13.02.2025
Income Tax Appeal against ITAT decision in our favour	CM-9064-CII-2021 The High Court of Punjab and Haryana, Chandigarh	Chief Commissioner Of Income Tax (Osd), Ludhiana Versus Smt	₹ 0.11 Cr	Sub-Judice

		Renu Garg		
--	--	-----------	--	--

3. Outstanding litigations involving Company's Subsidiaries/Associates:

(a) Litigations by Company's Subsidiaries/Associates:

Name of Company	Type of case	Litigation Number/ Case Number	Plaintiff	Amount involved	Status of Litigation
-----NIL-----					

(b) Litigations against Company's Subsidiaries/Associates:

Name of Company	Type of case	Litigation Number/ Case Number	Plaintiff	Amount involved	Status of Litigation
-----NIL-----					

We further confirm that except as stated herein above:

- a. The Company, any of its promoters, promoter group or director have neither been debarred from accessing the capital market by SEBI nor has any disciplinary action been taken by SEBI.
- b. The promoter or directors of the Company is not a promoter or director of any other company which is debarred from accessing the capital market by the SEBI.
- c. The promoters and directors of the company are not fugitive economic offender.
- d. Neither the Company, nor its Subsidiaries, Associates, Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- e. There are no criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

This space is intentionally left blank

GOVERNMENT AND OTHER STAUTORY APPROVALS

In view of the approvals listed below, the Company can undertake this issue and its current business activities and no further major approvals from any governmental or regulatory authority except proposed activities of Company or any other entity are required to undertake the Issue or continue its business activities.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

(A) Approvals for the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on September 03, 2024, authorised the Issue under Section 62 of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution on September 27, 2024 passed at the 40th AGM under Section 13, 61 & 64 of the Companies Act, 2013 for increase in Authorised Share Capital.

(B) Registration under the Companies Act, 1956/2013:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Certificate of Incorporation	L74999DL1983PLC017001	Companies Act, 1956	Registrar of Companies, NCT Delhi	22-11-1983
2.	Fresh Certificate of Incorporation issued after necessary resolution passed, the name of the company changed from Mercury Finance and Leasing Ltd. to Mercury Ispat Udyog Ltd.	L74999DL1983PLC017001	Companies Act, 1956	Registrar of Companies, NCT Delhi	08-05-1986
3.	Fresh Certificate of Incorporation issued after necessary resolution passed, the name of the company changed from Mercury Ispat Udyog Ltd. to Garg Industries Ltd.	CIN : L74999DL1983PLC017001	Companies Act, 1956	Registrar of Companies, NCT Delhi	09-08-1994
4.	Fresh Certificate of Incorporation issued after necessary resolution passed, the name of the company changed from Garg Industries Ltd. to Garg Acrylics Ltd.	CIN : L74999DL1983PLC017001	Companies Act, 1956	Registrar of Companies, NCT Delhi	12-03-1999

(C) Registration under various Tax related Acts/Rules and other laws:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Permanent Account Number (PAN)	AAACG3332N	Income Tax Department, GoI	-	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	DELG04653F	Income Tax Department, GoI	-	Valid till cancelled
3.	Certificate of Goods & Service Tax (GST) (Punjab)	03AAACG3332N1ZU	Goods and Services Tax Department	01/07/2017	Valid till cancelled
4.	Certificate of Goods & Service Tax (GST)	06AAACG3332N1ZO	Goods and Services Tax	04/01/2023	Valid till cancelled

	(Haryana)		Department		
5.	Certificate of Goods & Service Tax (GST) (Maharashtra)	27AAACG3332N1ZK	Goods and Services Tax Department	09/07/2018	Valid till cancelled
6.	Certificate of Goods & Service Tax (GST) (Karnataka)	29AAACG3332N1ZG	Goods and Services Tax Department	13/11/2023	Valid till cancelled
7.	Certificate of Goods & Service Tax (GST) (West Bengal)	19AAACG3332N1ZH	Goods and Service Tax Department	21/03/2024	Valid till cancelled
8.	Importer-Exporter Code (IEC)	3095002017	Directorate General of Foreign Trade Ministry of Commerce & Industry	29-04-1997	Valid till cancelled

(D) Registration under various Industrial and Labour Laws:

Sr. No.	Nature of Registration/ License	Registration/License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Industrial Licence	CIL : 5 (2002)	Industrial Development & Regulation Act 1951	Deputy Director of Industrial Policy & Promotion Ministry of Commerce & Industry Govt. of India, New Delhi	14-01-2002	Valid till cancelled
2.	Industrial Licence	DIL : 30 (2005)	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary to Govt. of India Department of Industrial Policy & Promotion Ministry of Commerce & Industry Govt. of India, New Delhi	27-04-2005	Valid till cancelled
3.	Industrial Licence	DIL : 109 (2005)	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary to Govt. of India Department of Industrial Policy & Promotion Ministry of Commerce & Industry Govt. of India, New Delhi	14-12-2005	Valid till cancelled
4.	Industrial Licence	DIL : 11 (2006)	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary to Govt. of India Department of Industrial Policy & Promotion Ministry of Commerce & Industry Govt. of India, New Delhi	15-02-2006	Valid till cancelled
5.	Industrial Licence	DIL : 38 (2007)	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary to Govt. of India Department of Industrial Policy & Promotion Ministry of Commerce & Industry Govt. of India, New Delhi	11-09-2007	Valid till cancelled

6.	Industrial Entrepreneur Memorandum (IMO)	2673/SIA/IMO/2009	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary Secretariat for Industrial Assistance Ministry of Commence & Industry Govt. of India, New Delhi	22-10-2009	Valid till cancelled
7.	Industrial Entrepreneur Memorandum (IMO)	3478/SIA/IMO/2010	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary Secretariat for Industrial Assistance Ministry of Commence & Industry Govt. of India, New Delhi	19-10-2010	Valid till cancelled
8.	Industrial Entrepreneur Memorandum (IMO)	2327/SIA/IMO/2013	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary Secretariat for Industrial Assistance Ministry of Commence & Industry Govt. of India, New Delhi	26-12-2013	Valid till cancelled
9.	Industrial Entrepreneur Memorandum (IMO)	517/IIM/PROD/2024	Registration and Licencing of Industrial Undertaking Rules 1952	Under secretary Secretariat for Industrial Assistance Ministry of Commence & Industry Govt. of India, New Delhi	18-01-2024	Valid till cancelled

Sr. No.	Factory Licence number	Date of Issue	Valid upto
1.	LDHOFL6351	25-06-2020	31 st Dec 2023 *
2.	LDHOFL8229	25-06-2020	31 st Dec 2023 *
3.	LDHOFL8993	25-06-2020	31 st Dec 2023 *
4.	LDHOFL7147	20-04-2024	31 st Dec 2027
5.	LDHOFL7794	03-05-2024	31 st Dec 2027
6.	BTDOFL4172	20-03-2024	31 st Dec 2027
7.	BTI/N70/00060983	21-08-2024	31 st Dec 2027

* Renewal fees paid upto Dec 2027, Approval awaited

(E) Registration under Intellectual Property Rights related Laws:

S. No	Logo/Trademark	Class	Nature of Trademark	Owner	Trademark No. & Date & Status	Authority
1.	SCARLET PRIMA COMPACT WITH G DEVICE	23	Yarn and Thread for Textile use	Garg Acrylics Ltd.	TM Application No. 6336155 dated 08-03-2024	Controller General of Patent, Design & Trade Mark

(F) Applied But Yet to Receive

NIL

This space has been left blank intentionally

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, on September 03, 2024.
2. The Board of Directors of our Company in their meeting conducted on Wednesday, February 12, 2025 approved the following terms in respect of the issue:

Issue Size	Upto 39,85,680 Equity Shares;
Issue Price	₹ 25.00/- per Right Equity Share issued in 01 (One) Rights Entitlement, (i.e. ₹ 25.00/- per Rights Equity Share, including a premium of ₹ 15.00/- per Rights Equity Share);
Rights Issue Entitlement Ratio	3:5 i.e., 03 (Three) Equity Shares for every 05 (Five) Equity Shares held by eligible Equity Shareholders of our Company as on Record Date;
Record Date	Tuesday, February 18, 2025;

3. The Draft Letter of offer has been approved by the Board of Directors on December 06, 2024;
4. Receipt of In-principle approval from MSEI in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number MSE/LIST/2025/11 from MSEI dated January 08, 2025. As there is currently no active platform available for trading on MSEI, therefore the Company will apply to BSE Limited for trading approval of the Rights Entitlements, enabling on market renunciation, in accordance with the SEBI Master Circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024.
5. Our Company has been allotted the ISIN **INE244E20018** for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company;

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or are not prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders or wilful defaulters;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors;

8. The Company, its Promoters, members of Promoter Group, are in compliance with Companies (Significant Beneficial Ownership) Rules, 2018;

PROHIBITION BY RBI

Neither our Company, nor our Promoter and member of Promoter Group, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Metropolitan Stock Exchange of India Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.
3. Our Company undertakes to make an application to Metropolitan Stock Exchange of India Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

1. The present Issue being of less than ₹ 5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to MSEI for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of Stock Exchange;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Letter of offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs. As required, a copy of the Letter of Offer will be submitted to SEBI.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Letter of offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of offer. You must not rely on any unauthorized information or representations. This Letter of offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of offer is current only as at its date of this Letter of offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Rights Issue will be subject to the jurisdiction of the appropriate court(s) in Delhi, India only.

DISCLAIMER CLAUSE OF MSEI

As required, a copy of this Letter of offer has been submitted to the MSEI. Metropolitan Stock Exchange of India Limited has given in-principle approval vide its letter dated MSE/LIST/2025/11 to use its name in this Letter of offer. The Disclaimer Clause as shall be intimated by the Metropolitan Stock Exchange of India Limited to us, post-scrutiny of this Letter of offer, shall be included in the Letter of Offer prior to filing with Metropolitan Stock Exchange of India Limited.

Further, Metropolitan Stock Exchange of India Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on Metropolitan Stock Exchange of India Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Letter of offer has been cleared or approved by the Metropolitan Stock Exchange of India Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against Metropolitan Stock Exchange of India Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

FILING

The Letter of offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Letter of offer with SEBI. The Company has filed Letter of offer with MSEI for obtaining In-principle approval.

CONSENTS

Consents in writing of all our Directors, Legal Counsel to the Issue, the Registrar to the Issue, Statutory Auditors and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Letter of offer.

EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors, M/s. Kamboj Malhotra & Associates, Chartered Accountant, to include their name in this Letter of offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated October 25, 2024, included in this Letter of offer, and such consent has not been withdrawn as of the date of this Letter of offer.

SELLING RESTRICTIONS

The distribution of this the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and Metropolitan Stock Exchange of India Limited. Accordingly, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction

where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Letter of offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of offer or date of such information.

The contents of this Letter of offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor the Registrar nor any of their respective affiliates are making any representation to any offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHT SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, 'U.S. PERSONS' (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHT SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA AND IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHT SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER, THE LETTER OF OFFER, AND ABRIDGED LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES OR RIGHTS.

ACCORDINGLY, THIS LETTER OF OFFER, THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, ENTITLEMENT LETTER, AND APPLICATION FORM SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We or the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;
- c. Where a registered Indian address is not provided;
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of Mr. Avnish Dhingra as Chairman, Mr. Sanjay Sahni and Mr. Rajiv Garg as members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, **Skyline Financial Services Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by **Skyline Financial Services Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renounee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' on page 99 of this Letter of offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary-Compliance Officer	Registrar to the Issue
<p>Ms. Priya Rani Kanganwal Road, V.P.O. Jugiana, G. T. Road, Ludhiana, Punjab-141120, India Telephone: 0161- 4692500 Email id: gargacrylics@yahoo.com</p>	<p>Skyline Financial Services Private Limited D-153A, First Floor, Okhla Industrial Area Phase-I, New Delhi – 110020 Tel No.: 011-40450193-197 Fax: 011-26812683 E-mail ID: ipo@skylinerta.com Investor Grievance E-mail: grievances@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration No: INR000003241 CIN: U74899DL1995PTC071324</p>

This space is intentionally left blank

SECTION IX: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Master Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of offer.

Further, SEBI has pursuant to the SEBI Master Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application By Eligible Equity Shareholders Holding Equity Shares In Physical Form' on page 116 of this Letter of offer.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials will be sent/ dispatched only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	https://www.gargltd.com/
Registrar to the Issue	https://www.skylinerta.com/
Metropolitan Stock Exchange of India Limited	https://www.msei.in/
BSE Limited	https://www.bseindia.com/

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.skylinerta.com by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date and PAN. The link for the same shall also be available on the website of our Company at www.gargltd.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be such an offer, invitation or solicitation. In those circumstances, this Letter treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Process of making an Application in this Issue through the ASBA process

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page 111 of this Letter of offer.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI Master Circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled '**Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**' on page 101 of this Letter of offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 119 of this Letter of offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 114 of Letter of offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:
 - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (b) Equity Shares held in the account of IEPF authority; or
 - (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
 - (e) Credit of the Rights Entitlements returned/reversed/failed; or
 - (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
 - (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by Tuesday, March 11, 2025 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, i.e Wednesday, March 12, 2025 to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.skylinerta.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.gargltd.com)

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Purpose	Link / Email- ID
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	www.skylinerta.com / www.gargltd.com

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders	
Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company	
Updating of demat account details by Eligible Shareholders holding shares in physical form	

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

BASIS FOR THIS ISSUE

The Rights Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date i.e., Tuesday, February 18, 2025.

RIGHTS ENTITLEMENTS

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. Tuesday, February 18, 2025, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.gargltd.com);).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date i.e Tuesday, March 11, 2025, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e Wednesday, March 12, 2025. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.skylinerta.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

PRINCIPAL TERMS OF THIS ISSUE

Face Value	Each Rights Equity Share will have the face value of ₹10.00/- (Rupees Ten Only).
Issue Price	₹ 25 (Rupees Twenty-Five Only) per Rights Equity Share issued in 01 (One) Rights Entitlement, (i.e. ₹ 25 (Rupees Twenty-Five Only) per Rights Equity Share, including a premium of ₹ 15 (Rupees Fifteen Only) per Rights Share). On Application, Investors will have to pay ₹ 25 (Rupees Twenty-Five Only) per Rights Share, the Issue Price.
Rights Entitlements Ratio	The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 3 (Three) Rights Equity Shares for every 5 (Five) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., Tuesday, February 18, 2025.
Renunciation of Rights Entitlements	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 112 of this Letter of offer.</p> <p>In accordance with SEBI Master Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>
Credit of Rights Entitlements in dematerialized account	<p>In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. Tuesday, February 18, 2025; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE244E20018. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from Thursday, February 27, 2025 to Thursday, March 13, 2025 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the</p>

Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by Tuesday, March 11, 2025 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, i.e. Wednesday, March 12, 2025, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.skylinerta.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., THURSDAY, MARCH 13, 2025 AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE 'PROCEDURE FOR APPLICATION' ON PAGE 109 OF THIS LETTER OF OFFER.

Trading of the Rights Entitlements

In accordance with the SEBI Master Circular, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under Rights Entitlement ISIN **INE244E20018**. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the BSE Limited on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Thursday, February 27, 2025 to Monday, March 10, 2025 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see '*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*' and '*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*' on page 113 and page no 113 respectively of this Letter of offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see '*Procedure for Application*' on page 109 of this Letter of offer.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment	<p>₹ 25 (Rupees Twenty-Five Only) per Rights Equity Share issued in 01 (One) Rights Entitlement, (i.e. ₹ 25 (Rupees Twenty-Five Only) per Rights Equity Share, including a premium of ₹ 15 (Rupees Fifteen Only) per Rights Share).</p> <p>On Application, Investors will have to pay ₹ 25 (Rupees Twenty-Five Only) per Rights Share which constitutes 100% (Hundred Percent) of the Issue Price.</p> <p>Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI(ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.</p>
Fractional Entitlements	<p>The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 03 (Three) Equity Share for every 05 (Five) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 05 (Five) Equity Shares or not in the multiple of 05 (Five) Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement.</p> <p>However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlements applied for. Further, the Eligible Equity Shareholders holding less than 05 (Five) Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.</p>
Credit Rating	<p>As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.</p>
Ranking	<p>The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank pari passu with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.</p>
Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue	<p>Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the Metropolitan Stock Exchange of India Limited vide its letter bearing reference number MSE/LIST/2025/11 from MSEI dated January 08, 2025. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors’ demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p>

	<p>For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on MSEI (Symbol: GARG) under the ISIN: INE244E01018. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary REISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repayit, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of Rights Equity Shares, please refer to the heading '<i>Terms of Payment</i>' at page 36 of this Letter of offer.</p>
<p>Subscription to this Issue by our Promoters and our Promoter Group</p>	<p>For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the chapter titled 'Capital Structure – Intention and extent of participation by our Promoters/Principal Shareholders' beginning on page 44 of this Letter of offer.</p>
<p>Rights of Holders of Rights Equity Shares of our Company</p>	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ol style="list-style-type: none"> a) The right to receive dividend, if declared; b) The right to vote in person, or by proxy; c) The right to receive surplus on liquidation; d) The right to free transferability of Rights Equity Shares; e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association. <p>Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.</p>

GENERAL TERMS OF THE ISSUE

Market Lot	The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share.
Joint Holders	Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.
Nomination	<p>Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.</p> <p>Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.</p>
Arrangements for Disposal of Odd Lots	The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1(one) Rights Equity Share and hence, no arrangements for disposal of odd lots are required.
Restrictions on transfer and transmission of shares and on their consolidation/splitting	There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.
Notices	<p>In accordance with the SEBI (ICDR) Regulations and the SEBI Master Circular, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“Issue Materials”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation (Hindi being the regional language of Delhi, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Letter of offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.</p>

Offer to Non-Resident Eligible Equity Shareholders/ Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on ipo@skylinerta.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispached to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Shareholders holding Equity Shares in physical form as on the Record Date, see '*Procedure for Application by Eligible Shareholders holding Equity Shares in physical form*' on page 115 of this Letter of offer.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in

jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchange.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://www.skylinerta.com/>. Investors can access this Letter of offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	https://www.gargltd.com/
Registrar to the Issue	https://www.skylinerta.com/
Metropolitan Stock Exchange of India Limited	https://www.msei.in/
BSE Limited	https://www.bseindia.com/

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at https://www.skylinerta.com/display_ipo_rightissue.php by entering their DP-ID and Client-ID or Folio Number (Physical Shareholders) and PAN. The link for the same shall also be available on the website of our Company at <https://www.gargltd.com/>.

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application

through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 119 of this Letter of offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making a plain paper Application. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 114 of this Letter of offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012’ dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 114 of this Letter of offer.

ADDITIONAL RIGHTS SHARES

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 124 of this Letter of offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the BSE Limited; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied

for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the BSE Limited through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the BSE Limited under the RE ISIN **INE244E20018** allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the BSE Limited from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Thursday, February 27, 2025 to Monday, March 10, 2025 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN **INE244E20018** and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the BSE Limited under automatic order matching mechanism and on 'T+2 rolling settlement bases', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the BSE Limited and SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN **INE244E20018** allotted for the Rights Entitlement subject to requisite approvals, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED

The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being '**GARG ACRYLICS LIMITED**';
- (ii) Name and address of the Eligible Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio Number/DP-ID and Client ID Number;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;
- (vi) Number of Rights Shares entitled to;
- (vii) Total number of Rights Shares applied for within the Rights Entitlements;
- (viii) Number of additional Rights Shares applied for, if any;
- (ix) Total Application Money at the rate of ₹ 25/- (Rupees Twenty-Five Only) for Rights Shares;
- (x) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xi) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
- (xiii) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xiv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xv) In addition, all such Eligible Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and

under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.skylinerta.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e Tuesday, March 11, 2025, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, i.e Wednesday, March 12, 2025.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.skylinerta.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. Tuesday, February 18, 2025 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date i.e Tuesday, March 11, 2025;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date , i.e Wednesday, March 12, 2025;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	www.gargltd.com
Registrar to the Issue	www.skylinerta.com
Metropolitan Stock Exchange of India Limited	www.msei.in
BSE Limited	https://www.bseindia.com/

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* www.gargltd.com);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. TUESDAY, FEBRUARY 18, 2025 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE i.e. TUESDAY, MARCH 11, 2025, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Letter of offer carefully to understand the Application process and applicable settlement process.
2. Please read the instructions on the Common Application Form sent to you.
3. The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
4. Application should be made only through the ASBA facility.
5. Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
6. In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA process' on page 114 of this Letter of offer.
7. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
17. Please note that subject to SCSBs complying with the requirements of SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
18. In terms of the SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

1. Ensure that the Common Application Form and necessary details are filled in.
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ('Demographic Details') are updated, true and correct, in all respects.
4. Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
5. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

6. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
7. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
8. Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
9. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
10. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
11. Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
4. Do not pay the Application Money in cash, by money order, pay order or postal order.
5. Do not submit multiple Applications.
6. Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
7. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
8. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
4. Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
5. Account holder not signing the Application or declaration mentioned therein.
6. Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
7. Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
11. Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
12. Physical Common Application Forms not duly signed by the sole or joint Investors.
13. Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
15. Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD

IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper

Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

MODE OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

1. Mode of payment for Resident Investors

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- g) Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, the Metropolitan Stock Exchange of India Limited and our Company;

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

- h) Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- i) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Rights Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India;
- (iii) In case of an Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renounees, who are not Eligible Shareholders, must submit regulatory approval for applying for additional Rights Shares;

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '**Procedure for Applications by Mutual Funds**' on page 129 of this Letter of offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in '**Capital Structure – Intention and extent of participation by our Promoters Chapter**' beginning on page 44 of this Letter of offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is Thursday, March 13, 2025, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the paragraph titled ‘Basis of Allotment’ on page 124 of this Letter of offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Monday, February 24, 2025
ISSUE OPENING DATE	Thursday, February 27, 2025
LAST DATE FOR ON MARKET RENUNCIATION*	Monday, March 10, 2025
ISSUE CLOSING DATE[#]	Thursday, March 13, 2025
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Monday, March 24, 2025
DATE OF ALLOTMENT (ON OR ABOUT)	Monday, March 24, 2025
DATE OF CREDIT (ON OR ABOUT)	Monday, March 31, 2025
DATE OF LISTING (ON OR ABOUT)	Thursday, April 03, 2025

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. Thursday, March 13, 2025.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. Tuesday, February 18, 2025, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., Tuesday, March 11, 2025, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e. Wednesday, March 12, 2025.

For details, please see the section titled ‘General Information’ on page 38 of this Letter of offer.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after allotment under (a) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Rights Shares renounced in their favour, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e- mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as 'NACH') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE i.e. TUESDAY, MARCH 11, 2025, BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT

PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated March 23, 2018 with NSDL and an agreement dated September 28, 2001 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

The responsibility for correctness of information filled in the Common Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.

3. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
4. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

5. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
6. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such off-shore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balancesheet of our Company indicating the purpose for which such monies had been utilized; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separatehead in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 (Four) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

MINIMUM SUBSCRIPTION

Some of the Promoters and promoter group of our Company through its letters dated September 17, 2024 have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The objects of the Issue is working capital and general corporate purposes. Further, our Promoters have undertaken that they will subscribe to the full or part of the extent of their Rights Entitlements subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations.

IMPORTANT

1. Please read the Issue Materials carefully before taking any action. The instructions contained in the Issue Materials are an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**GARG ACRYLICS LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Skyline Financial Services Private Limited

D-153A, First Floor, Okhla Industrial Area Phase-I, New Delhi – 110020

Tel No.: 011-40450193-197

Fax: 011-26812683

E-mail ID: ipo@skylinerta.com

Investor Grievance E-mail: grievances@skylinerta.com

Website: www.skylinerta.com

Contact Person: Mr. Anuj Rana

SEBI Registration No: INR000003241

CIN: U74899DL1995PTC071324

3. In accordance with SEBI Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.skylinerta.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are grievances@skylinerta.com.

This Issue will remain open for a minimum 15 (Fifteen) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

This space is intentionally left blank

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 a.m. to 5:00 p.m. on all working days from the date of this Letter of offer until the Issue Closing Date. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to gargacrylics@yahoo.com.

A. Material Contracts for the Issue

1. Registrar Agreement dated November 04, 2024 between our Company and Skyline Financial Services Private Limited, Registrar to the Issue.
2. Bankers to the Issue Agreement dated January 23, 2025 amongs our Company the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Copy of Certificate of Incorporation dated November 22, 1983, under the name of “Mercury Finance and Leasing Company Limited”.
3. Copy of Certificate of Change of name dated May 08, 1986, from “Mercury Finance and Leasing Company Limited” to “Mercury Ispat Udyog Limited”.
4. Copy of Certificate of Change of name dated August 09, 1994, from “Mercury Ispat Udyog Limited” to “Garg Industries Limited”.
5. Copy of Certificate of Change of name dated March 12, 1999, from “Garg Industries Limited” to “Garg Acrylics Limited”.
6. Copy of the Resolutions passed by our Board dated September 03, 2024 approving the Rights Issue and other related matters.
7. Copy of the Resolutions passed by our Board dated December 06, 2024 approving the Draft Letter of offer.
8. Copy of annual reports of our Company for the financial year ended on March 31, 2024, 2023 and 2022.
9. Statement of Tax Benefits dated October 25, 2024 issued by M/s. Kamboj Malhotra & Associates (Formerly known as Malhotra Manik & Associates), Chartered Accountants.
10. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in this Letter of offer to act in their respective capacities.
11. Tripartite Agreement dated March 23, 2018, between our Company, NSDL and the Registrar to the Company.
12. Tripartite Agreement dated September 28, 2001, between our Company, CDSL and Registrar to the Company.
13. In-principal approval issued by the MSEI vide its letter MSE/LIST/2025/11 dated January 08, 2025.
14. Copy of the Resolutions passed by our Board dated February 12, 2025 approving the Letter of offer.

Any of the contracts or documents mentioned in this Letter of offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATIONS

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-
Mr. Sanjiv Garg

DIN: 00217156

Date: February 12, 2025
Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Rajiv Garg
Managing Director
DIN: 00444558

Date: February 12, 2025

Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Ujjwal Garg

Whole Time Director

DIN: 01234439

Date: February 12, 2025

Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Sanjay Sahni

Independent Director

DIN: 08364951

Date: February 12, 2025

Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Avnish Dhingra
Independent Director
DIN: 09102065

Date: February 12, 2025
Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Ms. Misha Nayar

Independent Director

DIN: 09110365

Date: February 12, 2025

Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Ramandeep Singh
Chief Financial Officer

Date: February 12, 2025

Place: Ludhiana

DECLARATION

I hereby declare that no statement made in this Letter of offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of offer are true and correct.

Signed by the Directors of the Company

Sd/-

Ms. Priya Rani

Company Secretary & Compliance Officer

Date: February 12, 2025

Place: Ludhiana