

# VIPUL ORGANICS LIMITED

(Formerly known as Vipul Dyechem Limited)

(CIN: L24110MH1972PLC015857)

Registered Office: 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai -400053

Telephone no. 022-66139999, Fax no. 022- 66139977/75 Email Id: info@vipuldyes.com

Website: www.vipuldyes.com

30<sup>th</sup> August, 2016

To,  
The Manager - DCS  
BSE Limited  
PhirozeJeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

Dear Sir,

Scrip Code: 530627

**Sub.: Submission of Annual Report 2015-16**

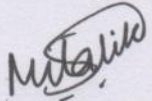
Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report for the financial year 2015-16, as approved and adopted by the members in the Annual General Meeting, held on Friday, 26<sup>th</sup> August, 2016 at 3:30 P.M. at The International By Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400 093.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For VIPUL ORGANICS LIMITED**  
(Formerly Known as VipulDyechem Limited)

  
(Mitali Shah)  
Company Secretary & Compliance Officer  
Membership No.A43384



Encl.: As above

Cc: Ahmedabad Stock Exchange Ltd.,  
Kamdheni Complex, Opp. Sahajanand College,  
Panjrapole, Ahmedabad  
Gujarat - 380 015



is now



ANNUAL REPORT 2015-16

GROWTH

THAT SPIRALS  
UPWARDS



## LET'S ADD A NEW COLOUR TO OUR LIVES.

On the verge of completing five decades, we're now all set for a refreshing change. One that will mark an important milestone in our journey of growth and evolution.

Rooted in our glorious past, with an eye on the future, we've now transformed ourselves into a new, exciting avatar. And we welcome you to join us on this refreshing, colourful and promising journey. Hence,



is now



**BOARD OF DIRECTORS:**

- Mr. Pravinchandra B. Shah - Chairman & Non-Executive Director
- Mr. Vipul P. Shah - Managing Director
- Dr. S. N. Sahai - Whole Time Director & CFO  
(Director upto 2<sup>nd</sup> May, 2016)
- Mr. Jagdeep Y. Mehta - Independent Director
- Mr. Prasannakumar B. Gawde - Independent Director
- Mrs. Trupti H. Shah - Independent Director

**SECRETARIAL AUDITORS**

M/s. Manish Ghia & Associates  
 Company Secretaries  
 Mumbai

**REGISTERED OFFICE**

102, Andheri Industrial Estate,  
 Off Veera Desai Road,  
 Andheri (West), Mumbai – 400053  
 Tel. No.: 022 - 66139999  
 Fax No.: 022 – 66139977/75  
 Email ID: info@vipuldyes.com

**PLANTS' LOCATION**

Plot No. 11, Survey No. 35  
 Diwan & Sons Industrial Estate,  
 Village – Aliyali, Palghar (West)  
 Dist. Thane – 401404

Plot No. A/14, MIDC,  
 A.M.P. Road, Ambernath (West)  
 Dist. Thane – 421501

**COMPANY SECRETARY**

Ms. Mitali K. Shah (w.e.f. 12<sup>th</sup> February, 2016)

**AUDITORS**

M/s. J. A. Rajani & Co.  
 Chartered Accountants  
 Mumbai

**BANKERS**

Vijaya Bank  
 Mandvi Branch,  
 Mumbai

**ADMINISTRATIVE OFFICE**

339/341, Rawal Chambers,  
 Samuel Street, Masjid Bunder,  
 Mumbai 400003

**REGISTRAR AND SHARE TRANSFER AGENTS**

Bigshare Services Pvt. Ltd.  
 E 2/3, Ansa Industrial Estate,  
 Sakivihar Road, Saki Naka,  
 Andheri (East), Mumbai 400072  
 Tel. No.: 022-40430294  
 Fax No.: 022 28475207  
 Email ID: info@bigshareonline.com

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## NOTICE

Notice is hereby given that the next Annual General Meeting of the members of **VIPUL ORGANICS LIMITED** (formerly known as Vipul Dychem Limited) will be held on Friday, 26<sup>th</sup> August, 2016 at 3.30 p.m. at The International By Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400093 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with the Reports of the Board of Directors' and Auditors' thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 together with the Report of Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2016.
3. To appoint a Director in place of Mr. Pravinchandra B. Shah, Chairman (DIN: 00181714), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai (having FRN:108331W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee and approved by the Audit Committee, the re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director (designated as Whole time Director and CFO) of the Company for a period from 1<sup>st</sup> April, 2016 to 2<sup>nd</sup> May, 2016 be and is hereby approved on the following terms and conditions:

1. Remuneration payable:
  - (a) Salary: Rs. 55,000/- (Rupees Fifty Five Thousand only) per month;
  - (b) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary;
  - (c) The Company shall reimburse the expenses incurred by Whole Time Director for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required from time to time in this regard."

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 160 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of the Articles of the Associations of the Company, Dr. Shiv Nath Sahai (DIN: 00332652), in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under the said Section proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company w.e.f. 1<sup>st</sup> October 2016, who shall be liable to retire by rotation."

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee and approved by the Audit Committee, the appointment of Dr. Shiv Nath Sahai, Chief Financial Officer of the Company as Whole-Time Director (designated as Whole Time Director and CFO) of the Company for a period of one year w.e.f. 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2017 be and is hereby approved on the following terms and conditions:

1. Remuneration payable:
  - (a) Salary: Rs. 55,000/- (Rupees Fifty Five Thousand only) per month;
  - (b) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary;



- (c) The Company shall reimburse the expenses incurred by Whole Time Director for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Dr. Shiv Nath Sahai as Whole Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required from time to time in this regard."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including an statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the re-appointment of Mr. Vipul P. Shah as Managing Director of the Company for a further period of 3 years w.e.f 15<sup>th</sup> June, 2016 till 14<sup>th</sup> June, 2019 be and is approved on the following terms and conditions:

1. Remuneration payable:

(a) Salary: Rs. 4,00,000/- ( Rupees Four Lacs only) per month.

(b) Perquisites:

The Managing Director shall be entitled to the following perquisites in accordance with the Company's policies, practices and procedures over and above the salary:

- Company based accommodation or house rent allowance.
  - Education allowance.
  - Chauffeur driven Company car.
  - Reimbursement of medical benefit incurred for self and family.
  - Leave travel allowance.
  - Company's contribution to Keymans' Insurance Policy, Provident Fund.
  - Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.
2. Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Vipul P. Shah as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required to carry on the purpose of the aforesaid resolution."

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the agreements for purchase / sale of goods and providing / availing services, etc. entered into with the following related parties, in which directors of the Company are interested, for the period and values as detailed in the below table be and are hereby approved:

Name of the Related Party	Nature of transactions	Period of contract and estimated value		
		01.06.2016 to 31.05.2017	01.06.2017 to 31.05.2018	01.06.2018 to 31.05.2019
M/s. Amar Trading Corporation	Purchase / sale of goods	Rs. 10 Crores	Rs. 10 Crores	Rs. 10 Crores
M/s. Ganesh Tiles & Marble Industries	Purchase / sale of goods & job work	Rs. 15 Crores	Rs. 15 Crores	Rs. 15 Crores

M/s. Jayshree Chemicals	Purchase / sale of goods	Rs. 10 Crores	Rs. 10 Crores	Rs. 10 Crores
M/s. Standardcon Private Limited	Purchase / sale of goods & job work	Rs. 10 Crores	Rs. 10 Crores	Rs. 10 Crores

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required to carry on the purpose of the aforesaid resolution.”

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 25<sup>th</sup> July, 2016**

**Mitali Shah**  
**Company Secretary**

**Registered Office:**  
102, Andheri Industrial Estate,  
Off. Veera Desai Road,  
Andheri (West), Mumbai – 400 053

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN CASE OF POLL ONLY, ON HIS /HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, DULY COMPLETED, STAMPED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further a person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- The statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
- Members/Proxies/authorized representatives are requested to bring their copies of the Annual Report and the attendance slip duly completed and signed at the meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Corporate members are requested to send a certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the meeting (including through e-voting).
- Relevant documents referred to in the accompanying Notice and the Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
- Brief resume of Directors recommended to be appointed/re-appointed at the ensuing Annual General Meeting in terms of Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice.
- The Register of Members and Share Transfer Books of the Company will remain closed on 19<sup>th</sup> August, 2016 for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing Annual General Meeting.
- Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easier identification of attendance at the meeting.
- Members holding shares in identical order of names in more than one folio are requested to send the share certificates to the Company's Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited for consolidation of all such shareholdings into one folio to facilitate better services.
- Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proof. Members holding shares in the Demat form may update such details with their respective Depository Participants.
- The dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2016, if declared at the ensuing Annual General Meeting, will be paid/dispatched between 5<sup>th</sup> September, 2016 and 7<sup>th</sup> September, 2016 to those members whose names appear in the Register of Members at the close of business hours on 19<sup>th</sup> August, 2016; and in respect of shares held by them in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date.

13. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 (since the applicable Section of the Companies Act, 2013 has not yet been notified), the amount of dividend which remain unclaimed for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account opened in pursuance of sub-section (1) of the said Section is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividend in respect of the financial year 2008-09 is due for transfer to the IEPF in October 2016. Members, who have not yet claimed their dividend for the financial year 2009-10 or for any subsequent financial years, are requested to claim the same from the Company.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agents of the Company – M/s. Bigshare Services Private Limited.
15. Queries on accounts and operations of the Company, if any, may please be sent to the Company, seven days in advance of the meeting so that the answers can be made available at the Meeting.
16. Members are requested to forward all Share Transfers and other communications to the RTA of the Company and are further requested to always quote their Folio Number in all correspondences with the Company.
17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
18. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members.

You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same by post.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

19. The Register of Directors' and Key Managerial Personnel Shareholdings maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
20. The Notice of the ensuing Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.
21. Information and other instructions relating to the e-voting:
  - (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the Annual General Meeting of the Company dated 25<sup>th</sup> July, 2016 (the AGM Notice).
  - (b) The facility for voting through polling paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. In case members cast their votes through both the modes, voting done by remote e-voting shall be considered and votes cast through polling papers shall be treated as invalid.
  - (c) The remote e-voting period shall begin on 23<sup>rd</sup> August, 2016 (9:00 a.m.) and end on 25<sup>th</sup> August, 2016 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 19<sup>th</sup> August, 2016 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



- (d) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 19<sup>th</sup> August, 2016.
- (e) A person, whose name is recorded in the Register of Members or in the List of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. 19<sup>th</sup> August, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- (f) The Board of Directors of the Company has appointed CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, as Scrutinizer to conduct and scrutinize the voting through polling paper and remote e-voting process in a fair and transparent manner.
- (g) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 19<sup>th</sup> August, 2016, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if a member is already registered with CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the following toll free no.: 1800-200-5533.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer, by use of "Polling Paper" to all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (i) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (j) The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.vipuldyes.com](http://www.vipuldyes.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and Ahmedabad Stock Exchange Limited.
- (k) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 26<sup>th</sup> August, 2016.

**The instructions for shareholders voting electronically are as under:**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for **VIPUL ORGANICS LIMITED** on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (ix) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or has for requested physical copy]:
- (a) Please follow all steps from Sl. No. A (i) to Sl. No. A (xvii) above, to cast vote.
- (b) In case of any queries regarding e-voting you may refer to the Frequently Asked Questions ('FAQs') and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP' section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (c) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT [AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IS GIVEN BELOW:**

Name of the Director	Dr. Shiv Nath Sahai (DIN: 00332652)	Mr. Pravinchandra B. Shah (DIN: 00181714)	Mr. Vipul P. Shah (DIN: 00181636)
<b>Brief resume of the director</b>	Dr. Shiv Nath Sahai is Chief Financial Officer of the Company.	Mr. Pravinchandra B. Shah is Chairman of the Company.	Mr. Vipul P. Shah is Managing Director of the Company.
<b>Nature of his expertise in specific functional areas</b>	Dr. Shiv Nath Sahai is Ph. D. in Technology process, having more than 35 years of experience in marketing and Techno commercial areas.	Mr. Pravinchandra B. Shah is Science graduate, having 47 years of experience in dye stuff and chemical Business.	Mr. Vipul Shah is a Chemical Engineer, having more than 28 years of experience in chemical dye stuff and pharmaceuticals industry.
<b>Disclosure of relationship between directors inter-se</b>	Not related	Mr. Pravinchandra B. Shah is father of Mr. Vipul P. Shah, Managing Director of the Company.	Mr. Vipul P. Shah is son of Mr. Pravinchandra B. Shah, Chairman of the Company.
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board</b>	Nil	Nil	Nil
<b>Shareholding of non-executive directors</b>	Nil	247100 Equity shares	726100 Equity shares

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item Nos. 5 & 6**

The tenure of Dr. Shiv Nath Sahai as Whole Time Director of the Company expired on 31<sup>st</sup> March, 2016. Taking in view his long association with the Company and vast experience and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board of Directors of the Company in its meeting held on 12<sup>th</sup> February, 2016 re-appointed him as Whole Time Director (designated as Whole Time Director and CFO) of the Company for a further period of 1 year w.e.f. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 on the terms and conditions as explained in resolution as set out in item no. 5 of this notice, subject to the approval of the members of the Company. However Dr. Shiv Nath Sahai resigned from the directorship of the Company w.e.f. closing hours of 2<sup>nd</sup> May, 2016 due to personnel reasons, Though he continued to be in services of the Company as CFO.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Dr. Shiv Nath Sahai for the office of Director. Keeping in view the long association and vast experience of Dr. Shiv Nath Sahai, the Board of Directors of the Company in its meeting held on 25<sup>th</sup> July, 2016 appointed him as Whole Time Director (designated as Whole Time Director and CFO) for a period from 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2017 on the terms and conditions as explained in resolution as set out in item no. 6 of this notice, subject to the approval of the members of the Company.

The Board of Directors recommends passing of the Special Resolutions as set out in item nos. 5 & 6 of the notice.

Except Dr. Shiv Nath Sahai and his relative, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolutions.

**Item No.7**

Mr. Vipul P. Shah, Managing Director of the Company has been associated with the Company since more than two decades. He is Chemical Engineer having more than 28 years of experience in chemical dye stuff and pharmaceuticals industry. The current tenure of Mr. Vipul P. Shah, Managing Director expired on 14<sup>th</sup> June 2016.

Considering his experience, knowledge and contributions made in the growth of the Company and as recommended by Nomination & Remuneration Committee and approved by Audit Committee, the Board of Directors of the Company in its meeting held on 30<sup>th</sup> May, 2016, has reappointed him as Managing Director for a further period of 3 years w.e.f. 15<sup>th</sup> June, 2016 till 14<sup>th</sup> June, 2019 on revised remuneration as specified in the resolution set out at item no. 7 of the notice.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 7 of the Notice for approval of members.

Except Mr. Pravinchandra B. Shah, Chairman, Mr. Vipul P. Shah, Managing Director and their relatives none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

#### ADDITIONAL INFORMATION FOR ITEM NOS. 5, 6 AND 7

The details as required under Clause (A) of Part II Section II of Schedule V of the Companies Act, 2013 are given below:

<b>I.</b>	<b>General Information</b>		
	(1)	Nature of industry	The Company is engaged in the business of manufacturing of Dye intermediates.
	(2)	Date or Expected date	The company is an existing company and is in operation of commercial production since 1972.
	(3)	In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	N.A.
	(4)	Financial performance based on given indicators	EPS : Rs. 1.63/- Return on net worth : 6.74%
	(5)	Foreign investments or collaborators, if any	Nil
<b>II.</b>	<b>Information about the Directors</b>		
	<b>A. Mr. Vipul P. Shah</b>		
	(1)	Background details	Mr. Vipul P. Shah, aged 50 years, is a Chemical Engineer, has more than 28 years of experience in chemical dye stuff and pharmaceutical industry. He is associated with the Company from more than two decades. He is entrusted with overall management of the Company under the supervision of the Board of Directors of the Company.
	(2)	Past Remuneration	Rs. 3,25,000/- per month .
	(3)	Recognition or awards	Under the guidance of Mr. Vipul P. Shah, the Company has received "FIRST AWARD" for the 'Outstanding Export Performance' under the Dyes, Dye Intermediates and Pigment Panel by Export Promotion Council - Chemexcil, Government of India on 6 <sup>th</sup> January, 2011.
	(4)	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
	(5)	Remuneration proposed	Rs. 4,00,000/- per month.
	(6)	Comparative remuneration size of Company, profile of the position and person	At par with the industry standards in which the Company operates.
	(7)	Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Except receiving remuneration as Managing Director, Mr. Vipul P. Shah does not have any other direct or indirect pecuniary relationship with the Company. He is son of Mr. Pravinchandra B. Shah, Chairman of the Company.
	<b>B. Dr. Shiv Nath Sahai</b>		
	(1)	Background details	Dr. Shiv Nath Sahai, aged 71 years, is Ph. D. in Technology process, has more than 35 years of experience in marketing and Techno commercial areas.
	(2)	Past Remuneration	Rs. 55,000/- per month.
	(3)	Recognition or awards	Dr. Shiv Nath Sahai is Ph. D. in Technology process.
	(4)	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
	(5)	Remuneration proposed	Rs. 55,000/- per month.
	(6)	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person	At par with the industry standards in which the Company operates.
	(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Except receiving remuneration as Whole Time Director & CFO, Dr. Sahai does not have any other direct or indirect pecuniary relationship with the Company.  No relationship with any Promoter, Director or Key Managerial Personnel of the Company.
<b>III.</b>	<b>Other information</b>		
	(1)	Reasons of loss or inadequate profits	Due to unfavorable market conditions the Company could not achieve high levels of profits.

(2)	Steps taken or proposed to be taken for improvement	The Company has taken cost cutting measures to improve profitability.
(3)	Expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profits by improved margins in future.

**Item No. 8**

As per business requirements, the Company has entered into agreements for purchase/ sale of goods and providing / availing services with M/s. Amar Trading Corporation, M/s. Ganesh Tiles and Marble Industries, M/s. Jayshree Chemicals and M/s. Standardcon Pvt. Ltd., entities in which Directors of the Company are interested.

As per the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of shareholders is required for entering into contracts or agreements with related parties; however if prior approval of the shareholders is not obtained, the Company can take its shareholders' approval within a period of 3 months from the date of entering into contract or agreement with related party. Further, the approval of shareholders for entering into contracts or agreements with related parties is also required under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below:

a.	Name of the related party	M/s Amar Trading Corporation, Partnership Firm	M/s. Ganesh Tiles & Marble Industries, Partnership Firm	M/s Jayshree Chemicals, Partnership Firms	M/s Standardcon Pvt. Ltd
b.	Name of the Directors and KMP who is related	1) Mr. Pravinchandra B. Shah 2) Mr. Vipul P. Shah	1) Mr. Pravinchandra B. Shah 2) Mr. Vipul P. Shah	1) Mr. Vipul P. Shah 2) Mrs. Jaya P. Shah	Mr. Pravinchandra B. Shah
c.	Nature of Relationship	Directors are partners in firm	Directors are partners in firm	Director and relative of Directors are partners in firm	Director is a Director in the Company
d.	Nature of contract	Purchase / sale of goods	Purchase / sale of goods & job work	Purchase / sale of goods	Purchase / sale of goods & job work
e.	Terms and monetary value of contract				
	01.06.2016-31.05.2017	Rs. 10 Crores	Rs. 15 Crores	Rs. 10 Crores	Rs. 10 Crores
	01.06.2017-31.05.2018	Rs. 10 Crores	Rs. 15 Crores	Rs. 10 Crores	Rs. 10 Crores
	01.06.2018-31.05.2019	Rs. 10 Crores	Rs. 15 Crores	Rs. 10 Crores	Rs. 10 Crores

The Board of Directors recommends passing of the Special Resolution as set out at item no. 8 of the Notice for approval of members.

Except Mr. Pravinchandra B. Shah, Chairman, Mr. Vipul P. Shah, Managing Director and their relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**By Order of the Board of Directors**

**Place : Mumbai**  
**Date : 25<sup>th</sup> July, 2016**

**Mitali Shah**  
**Company Secretary**

**Registered Office:**  
 102, Andheri Industrial Estate,  
 Off. Veera Desai Road,  
 Andheri (West),  
 Mumbai – 400 053



## DIRECTORS' REPORT

To the Members,  
 Vipul Organics Limited  
 (Formerly known as Vipul Dyechem Limited)

Your Directors have great pleasure in presenting Annual Report of your Company comprising the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)

Sr. No.	Particulars	Current Year ended 31 <sup>st</sup> March, 2016	Previous Year ended 31 <sup>st</sup> March, 2015
1.	Total revenue	5,249.40	5,248.47
2.	Less: Expenditure except Finance Cost & Depreciation	4965.82	4,998.11
3.	Profit before Finance Cost, Depreciation & Tax	283.58	250.36
	Less: Finance Cost	66.21	66.70
	Less: Depreciation	87.08	66.73
4.	Profit before tax	130.29	116.93
	Less: Provision for Tax	40.85	37.92
5.	Profit After Tax	89.44	79.01
6.	Balance brought forward from previous year	292.46	271.32
7.	Profit available for appropriation	381.89	350.32
8.	Less: Tax Adjustments	1.39	5.39
9.	Less: Proposed Dividend	43.80	43.80
10.	Less: Tax on Dividend	8.52	7.96
11.	Surplus carried to Balance Sheet	330.97	292.46

### RESULTS OF OPERATIONS:

During the year under review, the Company has registered a sale of Rs. 5249.40 Lacs (previous year Rs. 5,248.47 Lacs) and Net Profit after Tax of Rs. 89.44 Lacs (previous year Rs. 79.01 Lacs).

### CHANGE OF NAME OF THE COMPANY:

Pursuant to the shareholders' approval obtained at the Extra Ordinary General Meeting held on 13<sup>th</sup> June, 2016, the name of the Company is changed from "Vipul Dyechem Limited" to "Vipul Organics Limited" w.e.f. 19<sup>th</sup> July, 2016.

### SHARE CAPITAL:

There was no change in the share capital of the Company during the year. As on 31<sup>st</sup> March, 2016, the paid up share capital of the Company stood at Rs. 5,47,45,000/- (Rupees Five Crores Forty Seven Lacs Forty Five Thousand Only) divided into 54,74,500 Equity Shares of Rs. 10/- (Rupees Ten) each.

Pursuant to the shareholders' approval obtained at the Extra Ordinary General Meeting held on 13<sup>th</sup> June, 2016, on 6<sup>th</sup> July, 2016 the Company has issued and allotted 22,50,000 warrants for cash at an issue price of Rs. 40/- (Rupees Forty only) each (including premium of Rs. 30/- (Rupees Thirty only) each) on preferential basis to the promoters and others, carrying an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- (Rupees Ten) each within a period of 18 months from the date of their issue.

### DIVIDEND:

The Company's overall performance during the year under review was satisfactory. Your Directors have pleasure in recommending payment of dividend of Re. 0.80/- (8%) per share of Rs. 10/- each on the Company's Share Capital (previous year Re. 0.80/- (8%) per share). This will absorb total cash outflow of Rs. 52.32 Lacs (previous year Rs. 51.76 Lacs) including Corporate Dividend Distribution Tax of Rs. 8.52 Lacs (previous year Rs. 7.96 Lacs).

### DIRECTORS AND KEY MANAGARIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Pravinchandra B. Shah, Chairman & Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board of Directors of the Company in its meeting held on 12<sup>th</sup> February, 2016, re-appointed Dr. Shiv Nath Sahai as Whole Time Director of the Company (designated as Whole Time Director & CFO) of the Company for a further period of one year w.e.f. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, subject to the approval of shareholders. However, Dr. Shiv Nath Sahai resigned from

the directorship of the Company w.e.f. closing hours of 2<sup>nd</sup> May, 2016 due to his personal reasons. Furthermore, considering the long association and vast experience of Dr. Shiv Nath Sahai, the Board of Directors of the Company again appointed Dr. Shiv Nath Sahai as Whole Time Director of the Company (designated as Whole Time Director & CFO) for a period from 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2017, subject to the approval of shareholders. The Company has received a notice along with requisite deposit from a member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company. Your Board recommends for his appointment.

Further, the Board of Directors of the Company re-appointed Mr. Vipul P. Shah as Managing Director of the Company for a further period of three year w.e.f. 15<sup>th</sup> June, 2016 to 14<sup>th</sup> June, 2019, subject to the approval of shareholders. Your Board recommends for his re-appointment.

As stipulated under the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the Directors proposed to be appointed/re-appointed are given in the Notice convening Annual General Meeting.

Mr. Nilesh Dubey was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 16<sup>th</sup> December, 2015 and he resigned w.e.f. 24<sup>th</sup> December, 2015.

Ms. Mitali Shah was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 12<sup>th</sup> February, 2016.

#### **DECLARATION FROM INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report, except issue and allotment of 22,50,000 warrants for cash at an issue price of Rs. 40/- (Rupees Forty only) each (including premium of Rs. 30/- (Rupees Thirty only) each) on preferential basis to the promoters and others, carrying an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- (Rupees Ten) each within a period of 18 months from the date of their issue.

#### **PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

#### **EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT 9 is appended to this Report as **Annexure I**.

#### **MEETINGS OF THE BOARD:**

The Board meets at regular intervals to discuss and decide on Company's business, policies and strategies. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of Board meeting is given well in advance to all the Directors of the Company. Meetings of the Board are held in Mumbai, Maharashtra. The agenda of the Board / Committee meetings is circulated 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met six times during year as per details given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

#### **AUDIT COMMITTEE AND ITS COMPOSITION:**

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

As on 31<sup>st</sup> March, 2016, the Audit Committee comprised of Mr. Prasannakumar B. Gawde, Mr. Jagdeep Y. Mehta, Independent Directors and Mr. Vipul P. Shah, Managing Director of the Company.

Mr. Prasannakumar B. Gawde is the Chairman of Audit Committee of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013 state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2016 and of the profit of the Company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and determination of salary of Directors, Senior Management Personnel and any other employees of the Company. The Remuneration Policy is stated in the Report on Corporate Governance.

**RISKS AND AREAS OF CONCERN:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013:**

All related party transactions entered during the year were in ordinary course of the business and on arm's length basis. No Material Related Party Transaction were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The details of loans, guarantee or investment made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2015-16 are given under Notes to Accounts on Financial Statements.

**ANNUAL PERFORMANCE EVALUATION BY THE BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a Policy for evaluation of the performance of the Directors, Key Managerial Personnel and Senior Management Personnel. Based on the consideration of various parameters, gathered from all Directors, the performance of the Board and individual Directors is evaluated. Besides, the Board has also developed a system to evaluate the performances of each of executive, non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors and the value addition provided by them.

The Policy, *inter alia*, provides the criteria for performance evaluation of Directors consisting of:

- i. Attendance of the directors at the Meetings and the quality of contribution at Board and it's Committee/s meetings;
- ii. Participation of such director in the company's business and attribution to the strategic plans of the Management;
- iii. Relationship with other Board members and other officials of the Senior Management;
- iv. Sharing of knowledge and experience for the benefit of the Company.

During the year under review, a separate meeting of the Independent Directors was held for evaluation of performance of non-independent directors, performance of the Board as a whole and performance of the Chairman.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There was no order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

**WHISTLE BLOWER POLICY:**

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil Mechanism Policy is explained in the Report on Corporate Governance and also posted on the website of the Company. We affirm that during the financial year 2015-16, no employee or director was denied access to the Audit Committee.

## INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically used efficiently and adequately protected.

### SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report received from M/s. Manish Ghia & Associates, Practising Company Secretaries, Mumbai is appended as **Annexure – II** and forms part of this report.

In respect to the Secretarial Auditors' remarks in their report, the Company would like to state as under:

- (a) As required under Section 203 of the Companies Act, 2013, the Company was looking for a suitable candidate for appointment as Company Secretary & Compliance Officer and has appointed the same on 16th December, 2015.
- (b) Mr. Arvind Patel did not intimate his Director Identification Number to the Company, due to which the company was not able to file the form DIR-12 in respect of his cessation from the directorship of the Company effective from 1st April, 2015 under Section 167(1)(b) of the Company Act, 2013.
- (c) Disclosures as required under Clause 32 of the Listing Agreement in the Annual Report for the financial year 2014-15 was inadvertently missed out by the Company.

### INTERNAL AUDIT:

The Company has appointed M/s. Amit Desai & Associates, Chartered Accountants, Mumbai, as its Internal Auditor. The internal Auditor monitors and evaluates the effectiveness and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedure and policies at all locations of the Company and reports the same on quarterly basis to the Audit Committee.

### INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

### SUBSIDIARY COMPANY:

Shree Ambika Naturals Private Limited is a subsidiary of the Company.

Pursuant to the provision of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of subsidiary in Form AOC 1 is annexed as **Annexure III**.

The statement also provides the details of performance, financial position of the subsidiary.

The Company does not have any joint venture and associate company.

### CONSOLIDATED FINANCIAL STATEMENTS:

As required under Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and its subsidiary, which form part of the Annual Report.

### REPORT ON CORPORATE GOVERNANCE:

Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis
- Report on Corporate Governance
- Auditors' Certificate regarding compliance with conditions of Corporate Governance

### PARTICULARS OF REMUNERATION:

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, are appended to this report as **Annexure IV**.

### STATUTORY AUDITORS:

M/s. J. A. Rajani & Co., Chartered Accountants (FRN: 108331W), Mumbai, the Statutory Auditors of your Company hold office as such upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Auditor.

Your Directors recommend the re-appointment of M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit financial statements for the financial year 2016-17.

**AUDITORS' REPORT:**

The observation made by the Auditors' in their Report on the Standalone Financial Statement is self-explanatory and need not any further comments. There is no observation, qualification or adverse remark in Auditors' Report on Consolidated Financial Statements.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Details regarding Conservation of energy, technology absorption, foreign exchange earnings and outgo is given as in **Annexure V**.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institution, Banks, Government Authorities, Vendors and Shareholders and all organizations connected with its business during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of executives, staff and workers of the Company.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 25<sup>th</sup> July, 2016**

**Pravinchandra B. Shah**  
**Chairman**



## Annexures to the Directors' Report

### Annexure I

#### EXTRACT OF ANNUAL RETURN

Form No. MGT-9

#### Extract of Annual Return

(As on the financial year ended on 31<sup>st</sup> March, 2016)

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24110MH1972PLC015857
2.	Registration Date	21/06/1972
3.	Name of the Company	Vipul Dyechem Limited
4.	Category/Sub-Category of the Company	Company limited by shares / Non-government Company
5.	Address of the Registered office and contact details	102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai, Maharashtra 400053 Tel.:022-66139999, Fax:022-66139977, Email : <a href="mailto:companysecretaryvdcl@gmail.com">companysecretaryvdcl@gmail.com</a> Website : <a href="http://www.vipuldyes.com">www.vipuldyes.com</a>
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400072 Tel.:022-28470652, 40430200, Fax:022-28475207 Email : <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> Website : <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Fast Base	2411	27%
2.	Reactive Dyes	2411	11%
3.	Pigment	2411	24%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Shree Ambika Naturals Private Limited</b> <b>Address:</b> 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai - 400053	U24200MH1988PTC049982	Subsidiary	56.04% of Equity shares & 100% of 1.5% Non-cumulative Optionally Convertible Preference shares	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)**

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual/ HUF	2946600	13500	2960100	54.07	2960100	0	2960100	54.07	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	0	0	0	0	0	0	0	0	0
e. Bank/ FI	0	0	0	0	0	0	0	0	0
f. Any Other(Specify)	0	0	0	0	0	0	0	0	0
<b>g. Sub-total (A) (1):-</b>	<b>2946600</b>	<b>13500</b>	<b>2960100</b>	<b>54.07</b>	<b>2960100</b>	<b>0</b>	<b>2960100</b>	<b>54.07</b>	<b>0</b>
2. Foreign	0	0	0	0	0	0	0	0	0
a. NRI- Individual	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Body Corporate	0	0	0	0	0	0	0	0	0
d. Bank/ FI	0	0	0	0	0	0	0	0	0
e. Any Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Share Holders of Promoters (A)=(A1+A2)</b>	<b>2946600</b>	<b>13500</b>	<b>2960100</b>	<b>54.07</b>	<b>2960100</b>	<b>0</b>	<b>2960100</b>	<b>54.07</b>	<b>0</b>
<b>1. Institution</b>									
a. Mutual Funds	0	22700	22700	0.41	0	22700	22700	0.41	0
b. Bank/FI	0	0	0	0	0	0	0	0	0
c. Cent. Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	0	0	0	0	0	0	0	0
f. Insurance Co.	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign Portfolio Corporate	0	0	0	0	0	0	0	0	0
i. Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
j. Others	0	0	0	0	0	0	0	0	0
<b>Sub- Total (B) (1)</b>	<b>0</b>	<b>22700</b>	<b>22700</b>	<b>0.41</b>	<b>0</b>	<b>22700</b>	<b>22700</b>	<b>0.41</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a. Body Corporate	560438	28400	588838	10.76	377115	28400	405515	7.41	(3.35)
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	701015	315840	1016855	18.57	718528	312640	1031168	18.84	0.26
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	812902	40000	852902	15.58	978716	40000	1018716	18.61	3.03
c. Others									
i. Non Resident Indian (NRI)	1700	27400	29100	0.53	6950	27400	34350	0.63	0.10
ii. Clearing Member	4005	0	4005	0.07	1951	0	1951	0.04	(0.04)
<b>Sub-total B (2)</b>	<b>2080060</b>	<b>411640</b>	<b>2491700</b>	<b>45.51</b>	<b>2083260</b>	<b>408440</b>	<b>2491700</b>	<b>45.51</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B1+B2)</b>	<b>2080060</b>	<b>434340</b>	<b>2514400</b>	<b>45.93</b>	<b>2083260</b>	<b>431140</b>	<b>2514400</b>	<b>45.93</b>	<b>0</b>
<b>C. Shares held by Custodians for GDR's and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>5026660</b>	<b>447840</b>	<b>5474500</b>	<b>100</b>	<b>5043360</b>	<b>431140</b>	<b>5474500</b>	<b>100</b>	<b>0</b>

**ii. Shareholding of Promoters and Promoters group:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1	Mr. Mihir Vipul Shah	9,60,600	17.55	0	9,60,600	17.55	0	0
2	Mr. Vipul Pravinchandra Shah	7,26,100	13.26	0	7,26,100	13.26	0	0
3	Pravinchandra B. Shah (HUF)	4,72,550	8.63	0	0	0	0	(8.63)
4	Vipul P. Shah (HUF)	2,50,000	4.57	0	2,50,000	4.57	0	0
5	Mr. Pravinchandra B. Shah	2,47,100	4.51	0	2,47,100	4.51	0	0
6	Mrs. MitaV. Shah	2,39,500	4.37	0	2,39,500	4.37	0	0
7	Mrs. Kavita P. Shah	50,750	0.93	0	50,750	0.93	0	0
8	Mr. Vatsal V. Shah	13,500	0.25	0	486050	8.88	0	8.63
	<b>Total</b>	<b>2960100</b>	<b>54.07</b>	<b>0</b>	<b>2960100</b>	<b>54.07</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Mr. Mihir Vipul Shah</b>				
	A. At the beginning of year	9,60,600	17.55	-	-
	B. Changes during the year	No change during the year			
	C. At the end of year	-	-	9,60,600	17.55
<b>2.</b>	<b>Mr. Vipul Pravinchandra Shah</b>				
	A. At the beginning of year	7,26,100	13.26	-	-
	B. Changes during the year	No change during the year			
	C. At the end of year	-	-	7,26,100	13.26
<b>3.</b>	<b>Pravinchandra B. Shah (HUF)</b>				
	A. At the beginning of year	4,72,550	8.63	-	-
	B. Changes during the year	(Inter-se Transferred by way of gift of 4,72,550 equity shares on 04.05.2015)			
	C. At the end of year	-	-	0	0
<b>4.</b>	<b>Vipul P. Shah (HUF)</b>				
	A. At the beginning of year	2,50,000	4.57	-	-
	B. Changes during the year	No change during the year			
	C. At the end of year	-	-	2,50,000	4.57
<b>5.</b>	<b>Mr. Pravinchandra Babubhai Shah</b>				
	A. At the beginning of year	2,47,100	4.51	-	-
	B. Changes during the year	No change during the year			
	C. At the end of year	-	-	2,47,100	4.51
<b>6.</b>	<b>Mrs. Mita Vipul Shah</b>				
	A. At the beginning of year	2,39,500	4.37	-	-
	B. Changes during the year	No change during the year			
	C. At the end of year	-	-	2,39,500	4.37
<b>7.</b>	<b>Mrs. Kavita P. Shah</b>				
	A. At the beginning of year	50,750	0.93	-	-
	B. Change during the year	No change during the year			
	C. At the end of year	-	-	50,750	0.93

Sr. No	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8.	<b>Mr. Vatsal V. Shah</b>				
	A. At the beginning of year	13,500	0.25	-	-
	B. Change during the year	(Acquisition by way of gift of 4,72,550 equity shares on 04.05.2015)			
	C. At the end of year	-	-	4,86,050	8.88

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>M/s. Prism Security Services Pvt. Ltd.</b>				
	A. At the beginning of year	1,84,650	3.37		
	B. Changes during the year				
	05.06.2015 - Sell	(50,000)	-0.913		
	19.06.2015 - Sell	(95,859)	-1.751		
	26.06.2015 - Sell	(36,364)	-0.664		
	03.07.2015 - Sell	(2,427)	-0.044		
	C. At the end of the year			0.00	0.00
2.	<b>Mr. Pranay Rajesh Shah</b>				
	A. At the beginning of year	90,000	1.64		
	B. Changes during the year	No change during the year			
	C. At the end of the year			90,000	1.64
3.	<b>M/s. Skyhorizon Engineering Private Limited</b>				
	A. At the beginning of year	99,500	1.82		
	B. Changes during the year	No change during the year			
	C. At the end of the year			99,500	1.82
4.	<b>M/s. Kshetra Engineering Private Limited</b>				
	A. At the beginning of year	1,68,976	3.09		
	B. Changes during the year	No change during the year			
	C. At the end of the year			1,68,976	3.09
5.	<b>Mr. Yash Pradip Vasa</b>				
	A. At the beginning of year	0.00	0.00		
	B. Changes during the year				
	05.06.2015- Purchase	50,000	0.91		
	19.06.2015- Purchase	34,650	0.63		
	C. At the end of the year			84,650	1.55
6.	<b>Mr. Rajesh Chandrakant Shah</b>				
	A. At the beginning of year	75,000	1.37		
	B. Changes during the year	No change during the year			
	C. At the end of the year			75,000	1.37
7.	<b>Shalibhadra Jayantilal Varaiya (Huf)</b>				
	A. At the beginning of year	72,000	1.32		
	B. Changes during the year	No change during the year			
	C. At the end of the year			72,000	1.32

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>8.</b>	<b>Mrs. Aarti Bhupat Shah</b>				
	A. At the beginning of year	50,020	0.91		
	B. Changes during the year				
	17.07.2015- Purchase	18,200	0.33		
	C. At the end of the year			68,220	1.25
<b>9.</b>	<b>Mr. Hiten Ramniklal Shah</b>				
	A. At the beginning of year	4,138	0.08		
	B. Changes during the year				
	19.06.2015- Purchase	50,000	0.92		
	C. At the end of the year			54,138	0.99
<b>10.</b>	<b>Mr. Haribhai Bhikhabhai Patel</b>				
	A. At the beginning of year	43,500	0.79		
	B. Changes during the year	No change during the year			
	C. At the end of the year			43,500	0.79
<b>11.</b>	<b>Mr. Jigneshbhai Kanubhai Kikani</b>				
	A. At the beginning of year	43,168	0.79		
	B. Changes during the year				
	29.05.2015 - Sell	(34)	-0.005		
	C. At the end of the year			43,134	0.79
<b>12.</b>	<b>Mrs. Jyotika Haribhai Patel</b>				
	A. At the beginning of year	42,500	0.78		
	B. Changes during the year	No change during the year			
	C. At the end of the year			42,500	0.78

**V. Shareholding of Directors and Key Managerial Personnel:**

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Vipul Pravinchandra Shah</b>				
A	At the beginning of the year	7,26,100	13.26		
B	Changes during the year	No Change during the year			
C	At the end of year			7,26,100	13.26
<b>2.</b>	<b>Mr. Pravinchandra Babulal Shah</b>				
A	At the beginning of the year	2,47,100	4.51		
B	Changes during the year	No Change during the year			
C	At the end of year			2,47,100	4.51
<b>3.</b>	<b>Mr. Jagdeep Mehta</b>				
A	At the beginning of the year	-	-	-	-
B	Changes during the year	-			
C	At the end of year	-	-	-	-
<b>4.</b>	<b>Dr. Shiv Nath Sahai</b>				
A	At the beginning of the year	-	-	-	-
B	Changes during the year	-			
C	At the end of year	-	-	-	-
<b>5.</b>	<b>Mr. Prasannakumar B. Gawde</b>				
A	At the beginning of the year	-	-	-	-
B	Changes during the year	-			
C	At the end of year	-	-	-	-



Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	<b>Mrs. Trupti Hitesh Shah</b>				
A	At the beginning of the year	-	-	-	-
B	Changes during the year	-	-	-	-
C	At the end of year	-	-	-	-
7.	<b>Ms. Mitali Ketan Shah (w.e.f. 12<sup>th</sup> February, 2016)</b>				
A	At the beginning of the year	-	-	-	-
B	Changes during the year	-	-	-	-
C	At the end of year	-	-	-	-

**V. INDEBTEDNESS:-**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2015				
1) Principal Amount	9,63,44,842	52,33,028	0	10,15,77,870
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	9,63,44,842	52,33,028	0	10,15,77,870
Change in Indebtedness during the financial year				
+ Addition	62,41,75,701	3,34,540	0	62,45,10,241
-Reduction	65,47,81,341	40,83,735	0	65,88,65,076
Net change	6,57,39,202	14,83,833	0	6,72,23,035
Indebtedness at the end of the financial year 31-03-2016				
1) Principal Amount	16,20,84,044	67,16,861	0	16,88,00,905
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>16,20,84,044</b>	<b>67,16,861</b>	<b>0</b>	<b>16,88,00,905</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTM/Manager		Total Amount (in Rs.)
		Mr. Vipul P. Shah Managing Director	Dr. S. N. Sahai Whole-time Director & CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	39,00,000	6,60,000	45,60,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	28,800	-	28,800
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of Profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	39,28,800	6,60,600	45,88,800
	Ceiling as per the Act	Rs. 16,26,430/- (10% of net profits of the Company) or Rs. 168 Lacs, whichever is high.		

**B. Remuneration of other directors:**

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1	<b>Independent Directors</b>	<b>Mr. Jagdeep Mehta</b>	<b>Mr. Prasannakumar B Gawde</b>	<b>Mrs. Trupti Shah</b>	
	- Fee for attending board committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	<b>Other Non Executive Directors</b>	<b>Mr. Pravinchandra B. Shah</b>			
	- Fee for attending board committee meetings	-			-
	- Commission	-			-
	- Others	-			-
	<b>Total (2)</b>	-			-
	Total (B)= (1+2)	-			-
	Total Managerial Remuneration	-			-
	Ceiling as per the Act	Rs. 1,62,643 (1% of net profit of the Company)			
	Overall Ceiling as per the Act	Rs. 17,89,073 (11% of net profits of the Company) or Rs. 168 Lacs, whichever is high.			

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD:**

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (in Rs.)
		Ms. Mitali Ketan Shah	
		Company Secretary	
1.	Gross Salary	48,621	48,621
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of Profit - Others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	48,621	48,621

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

## ANNEXURE-II

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Vipul Organics Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vipul Organics Limited** CIN: L24110MH1972PLC015857 (previously known as Vipul Dychem Limited), and having its registered office at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West) Mumbai - 400053 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective till May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 1, 2015;
- (vi) There are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from July 1, 2015;
- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai and Ahmedabad Stock Exchange of India Ltd., Ahmedabad (effective up to 30<sup>th</sup> November, 2015);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above **subject to the following observations:**

- (a) *as per section 203 of the Act the company was required to appoint a Company Secretary w.e.f 1<sup>st</sup> April, 2014, however the compliance with the same was made only on 16<sup>th</sup> December, 2015;*
- (b) *Mr. Arvind Patel did not intimate his Director Identification Number to the Company, due to which the company was not able to file the eform DIR-12 in respect of his cessation from the directorship of the Company effective from 1<sup>st</sup> April, 2015 under Section 167(1)(b) of the Companies Act, 2013 and;*
- (c) *disclosures as required under Clause 32 of the Listing agreement have not been made in the Annual Report for the FY 2014-15.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to our observation under 'para (b)' above.*

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

**We further report that** during the audit period there were no major corporate events having a major bearing on the company's affairs.

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

For **Manish Ghia & Associates**  
Company Secretaries

**CS Manish L. Ghia**  
Partner

M. No. FCS 6252 C.P. No. 3531

Place : Mumbai  
Date: July 25, 2016

**'Annexure A'**

To,  
The Members,  
**Vipul Organics Limited**  
Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**  
Company Secretaries

**CS Manish L. Ghia**  
Partner

M. No. FCS 6252 C.P. No. 3531

Place : Mumbai  
Date: July 25, 2016

**ANNEXURE III****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	<b>Shree Ambika Naturals Private Limited</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31 <sup>st</sup> March, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	1,04,55,000
5.	Reserves & surplus	(25,46,148)
6.	Total assets	1,00,10,215
7.	Total Liabilities	21,01,363
8.	Investments	0
9.	Turnover	91,41,400
10.	Profit before taxation	7,41,195
11.	Provision for taxation	4,29,597
12.	Profit after taxation	3,11,598
13.	Proposed Dividend	Nil
14.	% of shareholding	56.04% of Equity Shares and 100% of 1.5% Non-cumulative Optionally Convertible Preference Shares

**Notes:**

- Names of subsidiaries which are yet to commence operations: N.A.
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

**Part "B": Associates and Joint Ventures**

Not Applicable as the Company does not have any Associate and Joint Venture



## Annexure IV

### Details of the ratio of remuneration of each Director to the median employee's remuneration.

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>
1	Mr. Vipul P. Shah	14.75
2	Dr. S. N. Sahai	2.50
3	Ms. Mitali Shah (w.e.f. 12 <sup>th</sup> February, 2016)	N.A.
(ii)	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year	
<b>Sr. no.</b>	<b>Name of the Director/CFO/Company Secretary</b>	<b>% Increase over last F.Y.</b>
1	Mr. Vipul P. Shah	8.27
2	Dr. S. N. Sahai	13.79
(iii)	The percentage increase in the median remuneration of employees in the financial year	10.17
(iv)	The number of permanent employees on the rolls of the company	33
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in remuneration of employees is 7.98% and managerial personnel is 9.03%.

We hereby confirmed that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the company.

### Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Details of top ten employee drawing remuneration pursuant to the provisions of Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

Employees Name	Designation	Educational Qualifications	Age(Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid	Previous Employment and Designation
Mr. Vipul Shah	Managing Director	BE.CHEM	50	28	21 <sup>st</sup> June, 1992	39,28,800	-
Mr. K.S. Gavle	Production Manager	BSC	65	42	9 <sup>th</sup> February, 1984	827500	Osna Chem Pvt. Ltd as Manager
Mr. Rajesh Prajapati	Senior Production Chemist	BSC	45	20	1 <sup>st</sup> June, 2014	7,62,000	Bajaj Organics as Lab Chemist
Mr. Narendra Patel	Production Manager	BSC CHEM	58	36	7 <sup>th</sup> March, 2015	6,34,335	Harish Chemicals as Production Chemist
Dr. S.N.Sahai	Whole-Time Director	Ph. D	71	36	1 <sup>st</sup> April, 1983	6,60,000	Amar Dychem as General Manager
Ms. Dipti Mehta	General Manager Procurement	Graduate	54	35	10 <sup>th</sup> December, 2010	6,10,000	Jayshree Chemicals as Purchase Executive

Employees Name	Designation	Educational Qualifications	Age(Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid	Previous Employment and Designation
Mr. Bharat Patel	Production Chemist	BSC CHEM	57	37	25 <sup>th</sup> November, 2012	578000	B. B. Chemicals as Chemist
Mr. Suresh Raghvan	Lab Chemist	BSC	49	28	1 <sup>st</sup> February, 1995	466000	Jasani Color Chem Pvt Ltd. as Chemist
Ms. Renu Sharma	Logistics Executive	M.Com	33	13	14 <sup>th</sup> February, 2011	448000	Black Rose India Ltd as Senior Logistics Limited
Ms. Mita Shah	Sales Executive	B.Com	48	7	1 <sup>st</sup> July, 2013	430000	Ganesh Tiles & Marbles Industries as Executive

**Notes:**

- All appointments are contractual and terminable by notice on either side.
- Remuneration includes salary, various allowances, contribution to Provident Fund and taxable value of perks.
- Mrs. Mita Shah is a wife of Mr. Vipul P. Shah, Managing Director of the Company.
  - None of the employees of the Company was drawing remuneration of Rs. 8,50,000/- p.m. or Rs. 1,02,00,000/- p.a. or more during the year.

**Place: Mumbai****Date: 25<sup>th</sup> July, 2016**

## Annexure V

### STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information relating to the foregoing matters is given as under:

#### A. CONSERVATION OF ENERGY:

The Company is conscious about the energy conservation and has kept constant supervision so as to avoid any leakage, stripping, etc. The power meters are also regularly checked. However, the management, wherever possible, shall try to replace machinery which is found defective by upto date innovated machinery, even generating sets are provided and the Company started using diesel oil since last 10 years.

- a) Your Company took many initiatives to reduce the electricity consumption through productivity increase. This financial year the electricity consumption when compared to sales/production is down by 8%. This shows the initiatives taken are effective.
- b) Your Company has focused on productivity so that unit consumption per piece is reduced.

#### B. TECHNOLOGY ABSORPTION AND ADAPTATION:

The Company has not acquired any foreign technology so far as the technical know-how is concerned. The technology for the Company's activities is available easily in India. The question of absorption and adaptation does not arise.

The Company has no separate division as such of carrying out Research and Development since the Company has been using so far the standardized methods of manufacturing Dyes and Chemicals. However, a small laboratory is in function for quality control. The Company has therefore not spent any expenditure on Research and Development during the year under review.

#### C. FOREIGN EXCHANGE INFLOW / OUTGO:

(Amount in Rs.)

Particulars	2015-16	2014-15
Foreign Exchange earned	43,82,35,354	46,91,39,540
Foreign Exchange used	3,13,72,510	4,49,02,668

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview – Dyes :

Presently India, China, Korea, Taiwan and Indonesia are the main producers for the Dyestuffs and Pigments. The manufacturers of Europe and USA have almost shifted the production base to these Asian Countries. The main reason for this is the low cost of production and ample manpower within Asian Countries.

Today India is the second largest producer of Dyestuff after China. Though the Chinese products are very cheap and economical, Indian products are always preferred because of the consistent quality and timely delivery. Also, now in China the cost of production is increasing.

### Industry Overview – Pigments :

According to Transparency Market Research, the global pigments market is anticipated to reach \$30 bn plus by 2023. That means expanding at a CAGR of around 4% in next 7 years.

Pigments are extensively used in various Industries such as Paints & Coatings, Printing Inks, Plastic, Rubber, Cosmetics, etc.

China is the largest producer of Pigments in the world. However most of the Pigments produced by the Chinese are commodities type. Germany is the largest producer of High Performance Pigments. Industries in India are slowly but steadily taking a key position, emerging as a strong producer of both commodity as well as high performance pigments.

### Business of the Company:

The Company is a globally renowned player in Dyes & Pigment Industry. The Company is manufacturing Dyestuffs for Textiles, Leather & Paper Industries. Company is also producing Organic Azo Pigments. The production facilities are presently at Palghar & Ambarnath, Maharashtra.

### Financials & Operational Performance :

India's macro-economic scenario remained under stress during the Financial Year 2015-16 leading to subdued demand and investments. Delayed decision on key factors like GST further stalled the growth of the Indian Industry to some extent. However, our Company remained more or less insulated from the after-effects of the global turmoil in an otherwise favourable external environment, particularly sharp decrease in the price of oils & metals. The Financial highlights for the year ended 31<sup>st</sup> March 2016 are as under :

(Rs. in Thousands)		
Particulars	F.Y. 2015-16	F.Y. 2014-15
Total Revenues	523,750.75	523688.33
Revenue from Exports	457685.78	470617.94
PBDIT	13,028.64	11,693.11
PAT	8,943.31	7,901.14
Earnings per share	1.63	1.44

### Future Outlook and Opportunities:

The Company is having an integral facility with the manufacturing of Intermediates for Dyestuffs & Pigments. Almost the entire capacity of Intermediates is utilized in active consumption for Pigment manufacturing.

### Dyes and Organic Pigments to grow at 6% CAGR :

Global demand for dyes and organic pigments is expected to grow 6% per year to \$19.5 bn in 2019. The organic pigments market is expected to witness growth on account of its use in various end-use industries, including printing inks, paints and coatings, plastics, rubber and textiles. Urbanization, coupled with rise in infrastructure spending, is likely to boost the paints market which, in turn, is anticipated to fuel the organic pigments market over the forecast period. Furthermore, use of organic pigments as colorants in textile and plastic industries is expected to contribute to growth. Moreover, rising demand for value added, high-quality organic pigments in the cosmetic industry is likely to drive growth in the next few years.

Although the organic pigment market has reached maturity in North America and Europe, the market is anticipated to receive a boost as major companies are aiming at designing and developing products in sync with continuously changing requirements for evolving technologies. However, volatility in raw material prices is likely to be a major constraint in the growth of the organic pigment market. Numerous North American and European organic pigment manufacturers have been shifting their manufacturing bases to low-cost countries in Asia Pacific on account of absence of stringent environmental compliance issues and lower production costs at the latter locations.

### Growth in Paints & Coatings and Textiles is expected to drive growth of Indian Colorant market :

The Indian Dyestuffs and Pigments industry has transformed from being import dependent to one driven by exports. Developed

countries are now focusing on sourcing dyestuffs and pigments from cost effective Asian markets, thanks to stringent environmental constraints back home. Exports have grown in double-digits over the last few years. Going forward, availability of skilled professionals and low cost of manufacturing coupled with Research and Development (R & D) capabilities are seen as strong demand drivers for the dyestuffs and pigments industry in India. Several multinational corporations (MNCs) have established facilities with world class technologies with a view to tap the growing market. Growth in the end user segments, especially paints & coatings as well as textiles, is expected to drive growth in the dyestuffs and pigments industry. The main end-users of pigments in India are printing inks, plastics, rubber and paints & coating industries.

With the upcoming manufacturing plant at Tarapur, Company shall have six times the present capacity of Pigments. An Industrial land is also acquired at Dahej-Gujarat for the second phase of expansion wherein with the implementation of the production, the Company shall have a very strong position as a top 5 Pigment producer of India.

Since most of the Intermediates required in the manufacturing of Dyestuffs & Pigments are produced in-house and with increased capacity we have anticipated significant growth in terms of the financials of the Company.

We are also interacting with certain International players from the world's top 50 Paint Company's and Ink Company's to provide them specialized Pigments & Dyestuffs on a long term basis. Presently Company has exports in more than 48 Countries. New markets have been developed with the Countries in Latin America and Africa.

Company is also increasing its presence on PAN India basis. Distributors & Dealers are appointed in key areas of Printing Inks & Paint Industries. Company is also working with the Printing Ink Manufacturing Company, owned by the Government of India, manufacturing Inks for currency notes. We are positive that the Company will continue to deliver profitable growth, led by increased capacity utilization, increased contribution of value-added products and higher demand in the market place.

#### **Risks, Concerns and Threats :**

Fluctuating and volatile prices of key raw materials, including Naphthalene derivatives, coupled with an increasingly stringent regulatory environment, are critical challenges to the growth of this industry. Since we derive a significant portion of our business from exports, volatility of the Rupees vis-à-vis the Dollar and the Euro may affect our realizations. We also face competitive pressures, including competition from Chinese manufacturers who have installed large plants for Pigments. We compete in the areas of quality, technical competence, backward integration, logistics facilities, after-sales service and customer relationship. Changing competitive environment may impact our business and future prospects.

#### **Internal Control and its Adequacy:**

Management Team available especially for the Company's production activities is so very highly experienced, that at every stage of production from availability of quality of raw materials till the outcome of production as per ISO 9001:2008, they provide their expertise to such an extent that the Company's products have achieved their due importance in the local and international markets and keeping the quality consistent.

Systems of internal controls adopted by the management team is adequate to ensure that all the assets are guarded and protected against loss from unauthorized and unethical use of such assets. Whenever the assets are disposed off, the transaction cannot go without authorization.

#### **Human Resource Management :**

The Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance and developing competitive advantage. In line with its business imperatives, the emphasis has been given to recruit the best talent, nurture, motivate and empower. As on 31<sup>st</sup> March, 2016 a total of 33 persons were directly employed by the Company.

#### **Cautionary Statement :**

Any statement made in this Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be a forward-looking within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that might make the difference to the Company's operations include availability of materials and prices, cyclical demand and pricing in the Company's principal markets, changes in the Government regulations, taxation and commitments for market development in India and abroad.

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Code of Governance:

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

### 2. BOARD OF DIRECTORS:

#### A. Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31<sup>st</sup> March, 2016 the Board had six Directors. Out of these, two directors are Executive Directors out of which one is Promoter, three are Non – Executive / Independent Directors and one is Promoter / Non-Executive / Non-Independent Director. The Chairman of the Board is Non-Executive / Non-Independent Director. The Company complies with the norms prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for constitution of Board of Directors.

#### B. Board Procedure:

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairmen of other Committees. The agenda for the meetings of the Board and its committees, together with the relevant supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to Company's business operations, periodical quarterly results of the Company, review of the reports of the Audit Committee, other committees and compliance with their recommendation, suggestion, non-compliance of any regulatory and status of complaints, statutory or listing requirements etc.

#### C. Attendance at Meetings:

During the year under review, the Board of Directors met six (6) times on 25<sup>th</sup> May, 2015, 30<sup>th</sup> May, 2015, 11<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015, 14<sup>th</sup> December, 2015 and 12<sup>th</sup> February, 2016. As stipulated, the gap between two meetings did not exceed one hundred and twenty (120) days.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2015-16 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in committees are as follows:

Director	Category	No. of Board Meetings Attended		Attendance at last AGM held on 30 <sup>th</sup> September, 2015	No. of directorship held in other public companies	Committee position in other Companies	
		Held	Attended			Chairman	Member
Mr. Pravinchandra B. Shah	Promoter/ Chairman/ Non Executive	6	6	Absent	1	-	-
Mr. Vipul P. Shah	Promoter/ Managing Director	6	6	Present	1	-	-
Dr. S. N. Sahai	Whole Time Director	6	6	Present	1	-	-
Mr. Arvind J. Patel*	Independent Director	-	-	-	-	-	-
Mr. Jagdeep Mehta	Independent Director	6	5	Present	-	-	-
Mr. Prasannakumar B. Gawde	Independent Director	6	5	Present	2	2	2
Ms. Trupti Shah	Independent Director	6	5	Present	-	-	-

\* Mr. Arvind Patel ceased to be Director of the Company w.e.f. 1<sup>st</sup> April, 2015

#### Note:

- Directorships in respect of private limited companies, Section 8 companies and foreign companies have not been included.
- Independent Director means a Director as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.



3. Position in Audit Committee and Shareholders' Relationship Committee are considered for the purpose.
4. None of the directors hold directorships in more than 10 public limited companies, membership in more than 10 committees and chairmanship in more than 5 committees.
5. No director is related to any other Director on the Board, except Mr. Pravinchandra B. Shah and Mr. Vipul P. Shah and, who are father and son respectively.

**D. Directors' Familiarisation programme:**

The Company undertakes and makes necessary provision of an appropriate induction programme for new Directors and ongoing training for existing Directors. The new directors are introduced to the company culture, through appropriate training programmes. Such kind of training programmes helps to develop relationship of the directors with the company and familiarise them with company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- build an understanding of the Company processes and
- fully equip Directors to perform their role on the Board effectively.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the Company's website at [www.vipuldyes.com](http://www.vipuldyes.com).

**E. Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 12<sup>th</sup> February, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole and also regular information between the Board and the management of the Company.

**F. Agenda:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated in the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board and Committees for the information of the Board. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting.

**G. Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the code. A declaration by Mr. Vipul P. Shah, Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2016 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of insider trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

**3. COMMITTEES:**

**A) Audit Committee:**

- (i) The terms of reference of the Committee are wide. The members of the committee have access to all the required information from the Company. The brief descriptions of terms of reference are as follows:
  - Reviewing the performance of the Company as reflected in the financial statements, as also compliance with accounting policies and practices, regulatory requirements concerning the said financial statements.

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Review with management the quarterly/half yearly and annual financial statements with the primary focus on accounting policies and practices, compliances with accounting standards and with the stock exchange and legal requirements concerning the financial statements.
- Reviewing with management, Statutory and internal auditors adequacy of the internal control systems in the Company.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.

Ms. Mitali Shah, Company Secretary and Compliance Officer acts as Secretary of the Committee.

- (ii) The Committee comprises of two independent and one executive director having financial back ground and knowledge in the areas of business of the Company. The Committee comprises of Mr. Prasannakumar B. Gawde (Chairman of the Committee), Mr. Jagdeep Y. Mehta and Mr. Vipul P. Shah. During the year under review, 5 (five) meetings of the Audit Committee were held on 30<sup>th</sup> May, 2015, 11<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015, 14<sup>th</sup> December, 2015 and 12<sup>th</sup> February, 2016.
- (iii) The composition of the committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2016 is as under:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Prasannakumar B. Gawde	Chairman	5	5
Mr. Jagdeep Y. Mehta	Member	5	5
Mr. Vipul P. Shah	Member	5	5

## B) Nomination & Remuneration Committee

The Nomination and Remuneration Committee recommends the remuneration payable to Executive Directors and other senior employees of the Company. The Company pays sitting fees to Independent Directors for attending board meetings and committee meetings.

### Terms of reference of the Nomination & Remuneration Committee:

The Committee is empowered to –

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel's.
- Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.

During the year under review, the Nomination and Remuneration Committee met 3 (three) times on 30<sup>th</sup> May, 2015, 14<sup>th</sup> December, 2015 and 12<sup>th</sup> February, 2016.

The composition of the committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2016 is as under:

### Composition and attendance:

Name of Member	Designation	No. of Meetings	
		Held	Attended
Mr. Prasannakumar B Gawde	Chairman	3	3
Mrs. Trupti Shah	Member	3	3
Mr. Jagdeep Y. Mehta	Member	3	3

### C) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee is empowered to oversee the redressal of investors' complaints pertaining to Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times on 30<sup>th</sup> May, 2015, 11<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016.

The Compliance Officer acts as secretary of the Stakeholders' Relationship Committee.

#### Composition and attendance:

Name of Member	Designation	No. of Meetings	
		Held	Attended
Mr. Pravinchandra B. Shah	Chairman	4	4
Dr. S. N. Sahai	Member	4	4
Mr. Vipul P. Shah	Member	4	4

The Committee meets as and when required, to deal with the matters relating to transfer/ transmission of shares and monitors redressal of complaints from shareholders relating to transfer, non receipt of balance sheet, dematerialization of shares.

As on 1<sup>st</sup> April, 2015, no complaint was pending. During the year, 13 complaints were received from the shareholders and they were replied/resolved to the satisfaction of the shareholders. As on 31<sup>st</sup> March, 2016 no complaint was pending.

Ms. Mitali Shah, Company Secretary and Compliance Officer acts as Secretary of the Committee.

#### Name and designation of Compliance officer:

Ms. Mitali Shah- Company Secretary & Compliance Officer

#### Performance Evaluation Criteria for Independent Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

1. Attendance of Board and Committee Meetings.
2. Quality of contribution to Board deliberations.
3. Strategic perspectives or inputs regarding future growth of the Company and its performances.
4. Providing perspectives and feedback going beyond information provided by the management.

### D) Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

#### Remuneration of Managing Director / Whole Time Director:

- At the time of appointment or re-appointment, the Managing Director / Whole Time Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors and the Managing Director / Whole Time Director) within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- In determining the remuneration, the Nomination & Remuneration Committee shall consider the following:
  1. The relationship of remuneration and performance benchmarks is clear;
  2. Responsibility of the Managing Director's and the industry benchmarks and the current trends;
  3. The Company's performance vis-à-vis the annual budget achievement and individual performance.

**Remuneration of Non-Executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

**Remuneration of Senior Management Employees:**

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

**Details of remuneration and sitting fees paid to the Directors:**

Details of remuneration/sitting fees paid during the year 2015-16 and number of shares held as on 31<sup>st</sup> March, 2016 by the directors of the Company are as follows:

(Amount in Rs.)

Name of the Directors	Salary & Perquisites	Performance/ Incentive/Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Pravinchandra B. Shah	-	-	-	-	-	2,47,100
Mr. Vipul P. Shah	39,00,000	-	-	-	39,00,000	7,26,100
Dr. S. N. Sahai	6,60,000	-	-	-	6,60,000	-
Mr. Jagdeep Y. Mehta	-	-	-	-	-	-
Mr. Prasannakumar B. Gawde	-	-	-	-	-	-
Mrs. Trupti Shah	-	-	-	-	-	-

Presently, the Company does not have any scheme to grant stock options either to the Executive directors or employees.

No remuneration/compensation is paid to non-executive directors.

**E) Vigil Mechanism Policy/ Whistle Blower Mechanism:**

With the rapid expansion of business, various risks associated with the business have also increased considerably. Some such risks identified are the risk of fraud, misconduct & unethical behavior. To ensure fraud-free work & ethical environment, Company has laid down a Vigil Mechanism Policy. By which Company provide a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud, misconduct, unethical behavior etc.

E-mail : companysecretaryvdcl@gmail.com

Phone No. : 022-66139999

Fax Number : 91-22-66139977

Written Communication to : 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai. 400053.

The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism

and direct access to the Chairman of the Audit Committee is also available in exceptional cases. No director or employee of the Company was denied access to the Audit Committee.

#### 4. SUBSIDIARY COMPANY:

As on 31<sup>st</sup> March, 2016, the Company has one subsidiary company i.e. 'Shree Ambika Naturals Private Limited' which does not fall under the norms prescribed in Regulation 16 (1)(c) of SEBI (LODR) Regulations, 2015 for "Material Subsidiary".

#### 5. GENERAL BODY MEETINGS:

Details of location, date and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue
2014-15	30 <sup>th</sup> September, 2015	3.30 P.M.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2013-14	30 <sup>th</sup> September, 2014	4.30 P.M.	
2012-13	27 <sup>th</sup> September, 2013	3.30 P.M.	

#### Special Resolutions passed in last 3 Annual / Extra Ordinary General Meetings:

Date of AGM / EOGM	Particulars of Special Resolutions
30 <sup>th</sup> September, 2015	<ol style="list-style-type: none"> <li>Revision in remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1<sup>st</sup> April, 2015 for the remaining period of his tenure;</li> <li>Re-appointment of Dr. S. N. Sahai as Whole time Director(re-designated as Whole time Director and CFO) of the Company w.e.f 1<sup>st</sup> April, 2015 till 31<sup>st</sup> March, 2016;</li> </ol>
30 <sup>th</sup> September, 2014	<ol style="list-style-type: none"> <li>Revision in remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1<sup>st</sup> April, 2014 for the remaining period of his tenure;</li> <li>Re-appointment of Dr. S. N. Sahai as Whole time Director(re-designated as Whole time Director and CFO) of the Company w.e.f 1<sup>st</sup> April, 2014 till 31<sup>st</sup> March, 2015;</li> <li>Adoption of new set of Articles of Association of the Company;</li> <li>Increase in the borrowing limits of the Company under section 180(1)(c) of the Companies Act, 2013;</li> <li>Giving authority to create charge /mortgage on the assets of the Company under section 180(1)(a) of the Companies Act, 2013;</li> <li>Entering into related party transaction under section 188 of the Companies Act, 2013.</li> </ol>
27 <sup>th</sup> September, 2013	<ol style="list-style-type: none"> <li>Revision in remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1<sup>st</sup> October, 2012 for the remaining period of his tenure.</li> <li>Re – appointment of Mr. Vipul P. Shah as Managing Director of the Company for the further period of three years w.e.f 15<sup>th</sup> July, 2013 till 14<sup>th</sup> July, 2016.</li> </ol>

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

During the year under review an ordinary resolution was passed by means of Postal Ballot for re-appointment of Mr. Prasannakumar B. Gawde as an Independent Director of the Company. CS Manish L. Ghia, Partner of M/s. Manish Ghia & Associates, Company Secretaries, Mumbai was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

#### **Procedure for postal ballot:**

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company provided electronic voting (e-voting) facility to all its members through CDSL. The members were given an option to vote either through postal ballot or e-voting. The e-voting period commenced on 5<sup>th</sup> April, 2015 and ended on 4<sup>th</sup> May, 2015.

The Company dispatched the postal ballot notices and forms alongwith self-addressed business reply envelopes to its members on 4<sup>th</sup> April, 2015, whose names appeared in the Register of Members / list of beneficiaries as on the cut-off date on 20<sup>th</sup> March, 2015. Only those postal ballot forms which were received upto the close of working hours of 4<sup>th</sup> May, 2015 were considered for scrutiny.

The consolidated results of e-voting and postal ballot were announced by the Whole-Time Director after the scrutinizer submitted his report on 7<sup>th</sup> May, 2015. The result was submitted to the Stock Exchanges and was also displayed on the website of the Company.

## 6. DISCLOSURES:

### A) Related party transactions:

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31<sup>st</sup> March, 2016 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transaction is available on Company's website at [www.vipuldyes.com](http://www.vipuldyes.com).

### B) Auditors' Certificate on compliance with the provisions relating to Corporate Governance:

Auditors' Certificate on compliance of conditions of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is annexed hereto.

### C) Compliance by the Company:

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. The Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets imposed no penalties or strictures on the Company.

### D) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

### E) Disclosures of Risk Management:

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

### F) CEO / CFO Certification:

A certification in the terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Mr. Vipul P. Shah, Managing Director and Dr. S. N. Sahai, CFO of the Company, in respect of financial year ended 31<sup>st</sup> March, 2016 was placed before the Board.

### G) Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

### H) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause:

The Company has complied with all the mandatory requirements of Regulation 24 and Schedule V of SEBI (LODR) Regulation, 2015. The details of compliances with the non-mandatory requirements adopted by the Company have been given below:

1. Internal Auditors of the Company report to the Audit Committee in the relevant sections of this report.
2. The Company is in the regime of unmodified audit opinion on financial statements.
3. The Company has separate Chairman and Managing Director.

## 7. MEANS OF COMMUNICATION:

- A. At present, half yearly reports on accounts is not being sent to each household of shareholders.
- B. The quarterly / half yearly and yearly results are published in Business Standard, Mahanayak and Mumbai Lakshwadeep.
- C. The Company has its own website [www.vipuldyes.com](http://www.vipuldyes.com).



- D. Whether the Company displays official news releases - Yes
- E. During the year, the Company has not made any presentation to Institutional Investors and Analysts.
- F. The Management Discussion and Analysis is given separately in the Annual Report for the year under review.

## 8. GENERAL INFORMATION FOR SHAREHOLDERS:

### A) Annual General Meeting:

Day : Friday  
Date : 26<sup>th</sup> August, 2016  
Time : 3.30 p.m.  
Venue : The International By Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400093  
Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

### B) Financial Calendar (2016-2017):

Result for the quarter ended 30<sup>th</sup> June, 2016 – by 14<sup>th</sup> August, 2016  
Result for the quarter ending 30<sup>th</sup> September, 2016 – by 14<sup>th</sup> November, 2016  
Result for the quarter ending 31<sup>st</sup> December, 2016 – by 14<sup>th</sup> February, 2017  
Audited Result for the year ending 31<sup>st</sup> March, 2017 – by 30<sup>th</sup> May, 2017.

C) Date of Book Closure : Friday, 19<sup>th</sup> August, 2016

D) Cut-off date for Remote E-voting : The remote e-voting /voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 19<sup>th</sup> August, 2016.

E) Dividend Payment Date : Credit/ Dispatch between 5<sup>th</sup> September, 2016 and 7<sup>th</sup> September, 2016

F) Listing on Stock Exchanges : BSE Limited  
The Ahmedabad Stock Exchange Limited\*  
The Company has paid the necessary listing fees only of the BSE Limited for the year 2016-17.  
\* Applied for de-listing

G) Stock Code : BSE: 530627

H) ISIN for NSDL & CDSL : INE834D01018

### I) Market Price Data and comparison with BSE Sensex:

The monthly high and low quotations of shares traded on the BSE Limited and BSE Sensex during each month in last financial year are as follows:

Month	Company's Shares price at BSE*		BSE Sensex (Points)	
	High (Rs.)	Low (Rs.)	High	Low
April, 2015	33.00	19.55	29094.61	26897.54
May, 2015	29.55	21.75	28071.16	26423.99
June, 2015	36.10	20.35	27968.75	26307.07
July, 2015	46.25	27.40	28578.33	27416.39
August, 2015	32.95	27.00	28417.59	25298.42
September, 2015	29.45	22.20	26471.82	24833.54
October, 2015	26.65	22.05	27618.14	26168.71
November, 2015	28.70	22.00	26824.30	25451.42
December, 2015	39.60	23.05	26256.42	24867.73
January, 2016	39.60	25.00	26197.27	23839.76
February, 2016	29.50	20.30	25002.32	22494.61
March, 2016	29.95	22.45	25479.62	23133.18

\* Source: [www.bseindia.com](http://www.bseindia.com)

The securities of the Company were not suspended from trading during the year 2015-16.

**J) Share Transfer System:**

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a maximum period of 15 days of the lodgment, except in some cases, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) within 21 days.

**K) Shareholding pattern as at 31<sup>st</sup> March, 2016:**

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	29,60,100	54.07
2.	Mutual Funds/UTI	22,700	0.41
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. / Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	FII's	-	-
6.	Bodies Corporate	405515	7.41
7.	Individuals < Rs. 1 Lac > Rs. 1 Lac	1169379 880505	21.36 16.08
8.	Clearing Member	1951	0.04
9.	NRI/OCBs	34350	0.63
10.	Trust	-	-
11.	Foreign Corporate Bodies	-	-
	<b>TOTAL</b>	<b>54,74,500</b>	<b>100.00</b>

**L) The Distribution of Shareholding as at 31<sup>st</sup> March, 2016:**

Slab of Shares Holding (in Rs.)		Share Holders	Percentage (%)	Amount (Rs.)	Percentage (%)
From	To				
1	5000	2635	86.4785	4076270	7.4459
5001	10000	184	6.0387	1577680	2.8819
10001	20000	91	2.9865	1465830	2.6776
20001	30000	32	1.0502	849600	1.5519
30001	40000	19	0.6236	703780	1.2856
40001	50000	12	0.3938	559020	1.0211
50001	100000	30	0.9846	2192500	4.0049
100001	999999999	44	1.4440	43320320	79.1311
<b>TOTAL</b>		<b>3047</b>	<b>100.00</b>	<b>54745000</b>	<b>100.00</b>

**M) Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2016 about 92.12% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.

**Commodity price risk or foreign exchange risk or hedging activities**

The Company is exposed to the risk of price fluctuations of raw material which is proactively managed by forward booking of materials, inventory management and vendor development practices.

As regards, foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

**N) Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity:**

As on 31<sup>st</sup> March, 2016, the Company did not have any outstanding ADRs, GDRs, Warrants or any convertible instruments.

**O) Registrar and Share Transfer Agents:**

**Bigshare Services Pvt. Ltd.**  
**Unit: Vipul Dyechem Limited**  
E – 2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai – 400 072  
Tel. No. : 022-40430200 Fax No. : 022- 2847 5207  
Email ID: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**P) Plants' Location:**

Plot No. 11, Survey No. 35, Diwan & Sons Industrial Estate, Village Aliyali, Palghar (West), Dist. Thane - 401404	Plot No. A/14, MIDC, A.M.P. Road, Ambarnath (West), Dist. Thane - 421501
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**Q) Address for Investor Correspondence:** For any assistance regarding dematerialization of shares, share transfers, transmissions, change of Address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

**Bigshare Services Pvt. Ltd.**  
Unit – Vipul Dyechem Ltd.  
E – 2/3, Ansa Industrial Estate,  
Saki Naka,  
Andheri (East),  
Mumbai – 400 072  
Tel. No. : 022-40430200  
Fax No. : 022- 2847 5207  
Email ID: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**Compliance Officer**  
Ms. Mitali Shah  
102, Andheri Industrial Estate,  
Off. Veera Desai Road,  
Andheri (West),  
Mumbai – 400 053  
Tel No. : 022 66139999  
Fax No.: 022 66139977  
Email ID: [companysecretaryvdcl@gmail.com](mailto:companysecretaryvdcl@gmail.com)

**R) Compliance Certificate for Code of conduct:** The declaration by Managing Director affirming compliance of Board and Senior Management Personnel to the Code of Conduct is also annexed herewith and forms part of Annual Report as per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**S) Disclosure with respect to demat suspense account / unclaimed suspense account.**

The Company does not have any of its securities lying in demat / unclaimed suspense account arising out of public / bonus / right issues as at 31<sup>st</sup> March, 2016. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

I, Vipul P. Shah, Managing Director of the Company, confirm that all the Directors and Key Managerial Personnel of the Company have affirmed compliance with the code of conduct during the year ended on 31<sup>st</sup> March, 2016.

**For Vipul Dyechem Limited**

**Place: Mumbai**  
**Date: 21<sup>st</sup> July, 2016**

**Vipul P. Shah**  
**Managing Director**

**CERTIFICATE OF COMPLIANCE FROM THE AUDITORS OF THE COMPANY**

To the members of **VIPUL ORGANICS LIMITED** (Formerly known as VIPUL DYECHM LIMITED)

We have examined the compliance of conditions of Corporate Governance by **VIPUL ORGANICS LIMITED** (Formerly known as Vipul Dyechem Limited) (the Company) for the year ended 31 March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April, 2015 to 30 November, 2015 and as per Regulation 17 to 27, Clause (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D, & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 December, 2015 to 31 March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M/s. J. A. Rajani & Co.**  
Chartered Accountants  
Firm Reg. No.: 108331W

**P. J. Rajani**  
Proprietor  
Membership No.: 116740

**Place: Mumbai**

**Date: 21<sup>st</sup> July, 2016**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Vipul Dychem Limited.**

### Report on the Financial Statements

We have audited the accompanying financial statements of Vipul Dychem Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profits and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure A" a statement on the matters specified in Para 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 purposes 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;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) 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 litigation on its financial position in its financial statements-refer note 31 ,to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For J. A. Rajani & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 108331W**

**P. J. Rajani**  
**Proprietor**  
**Membership No. 116740**

**Place: Mumbai**

**Date: 30th May, 2016.**



**“Annexure A” to the Independent Auditors’ Report of even date on the Financial Statements of Vipul Dychem Limited**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the company except for one land whose gross block and net block as on balance sheet date is Rs. 2500('000) .
- 2) Inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on such verification were immaterial and have been properly dealt with in the books of accounts of the Company.
- 3) The Company has granted unsecured loan to a company covered in the Register maintained under section 189 of the Act on terms and conditions which are not prejudicial to the Company’s interest . As there is no stipulation for repayment of principal and payment of interest, we are unable to comment on clause 3 (iii) (b) & (c.) of the Order.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, and rules framed thereunder In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not ,however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax, Value added tax, Service tax, Custom Duty, Excise Duty and any other statutory dues with the appropriate authorities except for delays in depositing Professional tax ,Service Tax and Tax deducted at source. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, Value added tax, service tax, custom duty, excise duty and any other statutory dues outstanding on account of any dispute except for Rs. 55('000) income tax in respect of Assessment Year 2002-03 which is in Appeal with Income Tax Appellate Tribunal Mumbai and for Rs. 316('000) Income Tax in respect of Assessment Year 2011-12 which is Appeal with Commissioner of Income Tax, Mumbai.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks & financial institution.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For J. A. Rajani & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 108331W**

**P. J. Rajani**  
**Proprietor**  
**Membership No. 116740**

**Place: Mumbai**

**Date: 30th May, 2016.**

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Vipul Dychem Limited  
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 Vipul Dychem Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal financial control based on the internal control 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 Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

**Auditors’ 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the 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 the 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 the auditor’s judgement, 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 the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control 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 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 Internal 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 be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on on the internal control 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 Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

**For J. A. Rajani & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 108331W**

**P. J. Rajani**  
**Proprietor**  
**Membership No. 116740**

**Place: Mumbai**

**Date: 30th May, 2016.**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

	Note No.	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015
		₹ in thousand	₹ in thousand	₹ in thousand
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) SHAREHOLDERS' FUNDS</b>				
(a) Share Capital	3	54,745.00		54,745.00
(b) Reserves & surplus	4	77,862.16		74,011.54
			<b>132,607.16</b>	128,756.54
<b>(2) NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	5	1,981.77		5,465.53
(b) Deferred tax liabilities (Net)	6	2,624.63		2,289.30
(c) Other Long term liabilities	7	422.16		1,665.92
(d) Long-term provisions	8	269.22		274.00
			<b>5,297.79</b>	9,694.75
<b>(3) CURRENT LIABILITIES</b>				
(a) Short-term borrowings	9	62,192.87		90,817.11
(b) Trade payables	10	116,767.98		123,933.01
(c) Other current liabilities	11	9,418.04		10,742.78
(d) Short-term provisions	12	8,869.88		8,150.08
			<b>197,248.76</b>	233,642.98
<b>TOTAL</b>			<b>335,153.70</b>	372,094.28
<b>II. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(1) (a) Fixed assets				
(i) Tangible assets	13	55,696.59		60,306.90
(iii) Capital work-in-progress		1,271.02		925.98
(b) Non-Current Investments	14	14,042.77		3,042.77
(c) Long-term loans and advances	15	55,819.23		63,292.78
(d) Other non-current assets	16	60.00		72.00
			<b>126,889.60</b>	127,640.43
<b>CURRENT ASSETS</b>				
(2) (a) Inventories	17	51,676.39		59,787.02
(b) Trade receivables	18	102,551.86		118,947.70
(c) Cash and Cash equivalents	19	21,985.37		22,507.31
(d) Short-term loans and advances	20	32,050.47		43,211.83
			<b>208,264.10</b>	244,453.85
<b>TOTAL</b>			<b>335,153.70</b>	372,094.28

See accompanying notes to the financial statements

In terms of our report attached.

**For J. A. Rajani & Co.**  
 Chartered Accountants  
 Firm Registration No.108331W

**P. J. Rajani**  
 Proprietor  
 Membership No.116740

**Place :** Mumbai  
**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**
**Pravinchandra B. Shah** **Vipul P. Shah**  
 Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
 Chief Financial Officer Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	<b>Note No.</b>	<b>31<sup>st</sup> March, 2016 ₹ in thousand</b>	<b>31<sup>st</sup> March, 2015 ₹ in thousand</b>
I. Revenue from operations	21	523,750.75	523,668.33
II. Other income	22	1,189.28	1,178.62
<b>III. Total Revenue (I + II)</b>		<b>524,940.04</b>	<b>524,846.95</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	170,825.25	154,290.87
Purchases of Stock-in-Trade	23	205,972.06	239,456.80
Changes in Inventories of Stock-in-Trade	24	3,159.00	7,988.27
Employee benefits expense	25	17,737.61	16,751.92
Finance costs	26	6,620.98	6,669.88
Depreciation and amortization expense	27	8,707.63	6,672.77
Operating Expenses	28	55,025.08	45,293.58
Administrative, Selling and General expenses	29	43,863.79	36,029.77
<b>Total expenses</b>		<b>511,911.40</b>	<b>513,153.85</b>
<b>V. Profit before tax (III-IV)</b>		<b>13,028.64</b>	<b>11,693.11</b>
<b>VI. Tax expense:</b>			
(1) Current tax		3,750.00	3,050.00
(2) Deferred tax		335.33	741.97
		<b>4,085.33</b>	<b>3,791.97</b>
<b>VII. Profit for the period after tax (V-VI)</b>		<b>8,943.31</b>	<b>7,901.14</b>
<b>VIII. Earnings per equity share:</b>	30		
(1) Basic		<b>1.63</b>	<b>1.44</b>
(2) Diluted		<b>1.63</b>	<b>1.44</b>

See accompanying notes to the financial statements

In terms of our report attached.

**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Place :** Mumbai  
**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**

**Pravinchandra B. Shah** **Vipul P. Shah**  
Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
Chief Financial Officer Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>A. Cash Flow from Operating Activities:</b>		
Profit Before Tax	13,028.64	11,693.11
Adjustments for:		
Depreciation and Amortisation	8,707.63	6,672.77
Interest Expenses (Net)	6,620.98	6,669.88
Dividend Income	(57.51)	(56.42)
Other Income	(1,131.78)	(731.01)
Profit/Loss on sale of Fixed Assets	-	(391.19)
	<b>14,139.32</b>	<b>12,164.03</b>
Operating Profit Before Working Capital Changes	27,167.96	23,857.13
(Increase) / Decrease in Long-term and Short term loans and advances	18,634.90	11,898.33
(Increase) / Decrease in Other Current and Non-current assets	12.00	12.00
(Increase) / Decrease in Inventories	8,110.63	3,419.93
(Increase) / Decrease in Trade receivables	16,395.83	(20,202.37)
(Decrease) / Increase in Trade payables and liabilities	(10,608.53)	14,609.33
	<b>32,544.83</b>	<b>9,737.22</b>
Cash Generated from Operations	59,712.79	33,594.49
Direct Taxes Paid (including TDS) Net	(2,958.34)	(3,056.71)
Net Cash Flow from Operating Activities - A	<b>56,754.46</b>	<b>30,537.65</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible and Intangible Assets	(4,430.34)	(22,363.66)
Investments	(11,000.00)	-
Interest and Dividend Income	1,189.28	787.43
Net Cash used in Investing Activities - B	<b>(14,241.06)</b>	<b>(21,576.23)</b>
<b>C. Cash Flow from Financing Activities:</b>		
(Decrease) / Increase in Borrowings (net)	(32,108.00)	4,996.30
Dividend Paid	(4,305.45)	(4,405.62)
Interest Paid and Finance Cost	(6,620.98)	(6,669.88)
Net Cash from Financing Activities - C	<b>(43,034.42)</b>	<b>(6,079.19)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C	<b>(522.02)</b>	<b>2,882.23</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	9,252.20	10,094.19
- Deposits with Banks and Interest Accrued thereon **	12,733.17	12,413.20
	21,985.37	22,507.39
Less: Cash and Cash Equivalents as at the beginning of the year	<b>22,507.39</b>	19,625.16
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(522.02)</b>	<b>2,882.23</b>

Note:

## This includes Rs. 1059.71 thousands balance in earmarked account (Prev.Yr. includes Rs. 985.861 thousands)

\*\* This Includes Rs.167.00 thousands held in deposit for more than 12 months (Prev. Yr. Rs. 61.88 thousands)

Figures in bracket denote outflow of cash.

**In terms of our report attached.**

**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Place :** Mumbai  
**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**

**Pravinchandra B. Shah** **Vipul P. Shah**  
Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
Chief Financial Officer Company Secretary

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

### 1. Corporate Information

The Company is mainly in business of Dyes, Chemicals & Intermediates

### 2. Significant Accounting Policies

#### a. System of Accounting:

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

The financial statements have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles generally accepted in India (Indian GAAP), including Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III to the Companies Act, 2013.

#### b. Fixed Assets, Depreciation And Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

#### c. Investments:

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

#### d. Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

#### e. Inventories:

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

#### f. Revenue Recognition:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales includes Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

**g. Deferred Revenue Expenditure:**

Shares issue expenses are amortised over a period of 10 years.

**h. Retirement Benefits:**

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation.

Provision for leave entitlement is accrued and provided for at the end of the financial year.

**i. Bonus:**

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

**j. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**k. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

**l. Accounting For Tax On Income:**

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's.

Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

**m. Research & Development:**

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred.

Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

**n. Expenditure During Construction And On New Projects:**

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

**o. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016**

<b>3 Share capital:</b>	<b>31<sup>st</sup> March, 2016 ₹ in thousand</b>	<b>31<sup>st</sup> March, 2015 ₹ in thousand</b>
<b>3.1 Authorised :</b>		
60,00,000 (P. Y. 60,00,000 )Equity Shares of Rs. 10 each	60,000.00	60,000.00
<b>TOTAL</b>	<b>60,000.00</b>	<b>60,000.00</b>
<b>3.2 Issued, Subscribed and Fully Paid-up Shares:</b>		
54,74,500 (P. Y.54,74,500) Equity Shares of Rs.10 each fully paid up	54,745.00	54,745.00
<b>TOTAL</b>	<b>54,745.00</b>	<b>54,745.00</b>

**3.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**

	<b>Number of shares (No.s)</b>		<b>Share Capital ₹ in thousand</b>	
	<b>Figures for the current reporting period</b>	<b>Figures for the previous reporting period</b>	<b>Figures for the current reporting period</b>	<b>Figures for the previous reporting period</b>
Balance as at Beginning of Year	5,474,500	5,474,500	54,745.00	54,745.00
Balance as at End of Year	<b>5,474,500</b>	<b>5,474,500</b>	<b>54,745.00</b>	<b>54,745.00</b>

**3.4 Terms / rights attached to equity shares**

- Fully paid equity shares, which have a par value of Rs. 10/-, carry one vote per share and carry a right to dividends.
- Dividends if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their judgement the position of the Company justifies.
- During the year ended March 31, 2016, the amount of per share dividend recognised as Rs 0.80 (March 31, 2015 Rs. 0.80)
- In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

**3.5 List of shareholders who holds more than 5% of equity shares in the company:**

<b>Name of the shareholders</b>	<b>31<sup>st</sup> March,2016</b>		<b>31<sup>st</sup> March,2015</b>	
	<b>(No.s)</b>	<b>%</b>	<b>(No.s)</b>	<b>%</b>
Pravinchandra B. Shah (HUF)	-	0.00%	472,550	8.63%
Vipul P. Shah	726,100	13.26%	726,100	13.26%
Mihir V. Shah	960,600	17.55%	960,600	17.55%
Vatsal V. Shah	486,050	8.88%	13,500	0.25%
	<b>2,172,750</b>	<b>39.69%</b>	<b>2,172,750</b>	<b>39.44%</b>

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>4 Reserves and surplus:</b>		
Capital Reserve	6,277.70	6,277.70
Securities Premium Account	29,478.00	29,478.00
General Reserve	9,009.75	9,009.75
Profit and Loss account	33,096.70	29,246.09
<b>Total</b>	<b>77,862.16</b>	<b>74,011.54</b>
<b>4.1 Capital Reserve</b>		
As per Last Balance Sheet	6,277.70	6,277.70
Balance at end of year	<b>6,277.70</b>	<b>6,277.70</b>
<b>4.2 Securities Premium Account:</b>		
Balance at beginning of year	29,478.00	29,478.00
Balance at end of year	<b>29,478.00</b>	<b>29,478.00</b>
<b>4.3 General Reserve</b>		
Balance at beginning of year	9,009.75	9,009.75
Balance at end of year	<b>9,009.75</b>	<b>9,009.75</b>
<b>4.4 Profit and Loss account</b>		
Balance at beginning of year	29,246.09	27,131.57
Add: Profit after Tax for the year	8,943.31	7,901.14
Less: Appropriations:		
Tax Adjustments	138.69	(539.43)
Depreciation on transition to schedule II of the Companies Act, 2013 on fixed assets with 'Nil' remaining useful life (net of deferred tax)(refer note 13)	-	(71.53)
Proposed Dividend - Final	(4,379.60)	(4,379.60)
Corporate Dividend Tax thereon	(851.78)	(796.06)
Balance at end of year	<b>33,096.70</b>	<b>29,246.09</b>
<b>5 Long term borrowings:</b>		
<b>5.1 Secured Loans</b>		
Loan from Bank (Refer Note no 11)	1,981.77	3,547.70
<b>Sub Total (A)</b>	<b>1,981.77</b>	<b>3,547.70</b>
<b>5.2 Unsecured Loans</b>		
Loan from Director	0.00	200.00
Loan from Others (Refer Note no 11) **	0.00	1717.83
<b>Sub Total (B)</b>	<b>-</b>	<b>1,917.83</b>
<b>Total (A) + (B)</b>	<b>1,981.77</b>	<b>5,465.53</b>

\*\* Personal Guarantee of Directors

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

### Secured Loans from Banks

Rs. Nil ('000) (Previous Year Rs.Nil ('000) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 28th February ,2016 and carry interest rate of 10.75 % p.a.

Rs. Nil ('000) (Previous Year Rs.442 ('000) secured by hypothecation of vehicles from Axis Bank Ltd. Equal monthly instalments over the period of loan by 15th September,2016 and carry interest rate of 9.75 % p.a.

Rs. 1835('000) (Previous Year Rs.2663 ('000) secured by hypothecation of vehicles from HDFC Bank Ltd. Equal monthly instalments over the period of loan by 5th February ,2019 and carry interest rate of 10.01 % p.a.

Rs. 146('000) (Previous Year Rs.Nil ('442) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 21st November,2017 and carry interest rate of 11.8 % p.a.

### Unsecured Loans from Others

Repayment of loan from Gujrat Industrial Development Ltd. in Quarterly Equal instalments by 31<sup>st</sup> March,2016 and carry interest rate of 13.5 % p.a.

Repayment of loan from Tata Capital Financial Services Ltd. in monthly scheduled instalments by 3rd September,2016 and carry interest rate of 15.62 % p.a.

Repayment of loan from Magma Fincorp Ltd. in monthly scheduled instalments by 7th August,2016 and carry interest rate of 15.99 % p.a.

	31 <sup>st</sup> March,2016 ₹ in thousand	31 <sup>st</sup> March,2015 ₹ in thousand
<b>6 Deferred Tax Liability</b>		
<b>Major components of deferred tax are:</b>		
Related to Fixed Assets	2,624.63	2,289.30
<b>Net Deferred Tax Liability</b>	<b>2,624.63</b>	<b>2,289.30</b>
<b>7 Other Long-term Liabilities:</b>		
Payables on purchase of Fixed Assets	372.16	1,615.92
Deposit from Dealers	50.00	50.00
<b>Total</b>	<b>422.16</b>	<b>1,665.92</b>
<b>8 Long-term provisions:</b>		
Provision for Gratuity	269.22	274.00
<b>Total</b>	<b>269.22</b>	<b>274.00</b>
<b>9 Short-term borrowings:</b>		
<b>(a) Loans repayable on demand</b>		
From banks		
Secured	62,192.87	90,817.11
<b>Total</b>	<b>62,192.87</b>	<b>90,817.11</b>

The working capital facilities from Banks are secured by way of Hypothication of Stock and Book Debts. The above loans also covered by following colateral securities as under:-

- EMDTD of land property & building with machinery/electricals installation situated at Plot no 12, Survey no 35, Dewan & Sons Industrial Estate, Palghar
- Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate, Palghar.
- Land & Building at Plot no 10 & 16, Diwan & Sons Ind. Est. Palghar & Machinery at Plot no 10 of Jayshree Chemicals.
- Certain machinery at Ambernath Manufacturing Unit.
- Also covered in personal guarantee of 2 directors & corporate guarantee of Jayshree Chemicals .

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>10 Trade payables</b>		
Other than micro and small enterprises **	101,840.31	98,572.89
Acceptances	14,927.67	25,360.12
<b>Total</b>	<b>116,767.98</b>	<b>123,933.01</b>
** The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount.		
<b>11 Other current liabilities:</b>		
Current maturities of long-term secured loan (See Note 5.1)	1,564.56	1,980.04
Current maturities of long-term unsecured loan (See Note 5.2)	1,663.83	3,521.04
Advance from Customers	3,672.26	3,748.45
Unpaid Dividends	1,055.01	980.86
Duties & taxes	1,462.36	512.40
<b>Total</b>	<b>9,418.04</b>	<b>10,742.78</b>
<b>12 Short-term provisions:</b>		
Provision for Tax	3,638.50	2,974.42
Proposed Dividend	4,379.60	4,379.60
Corporate Dividend Tax	851.78	796.06
<b>Total</b>	<b>8,869.88</b>	<b>8,150.08</b>



## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

### 13 Tangible Assets

(₹ in thousand )

	Factory Land	Office Premises	Buildings	Plant And Machinery	Furniture And Fixtures	Vehicles	Computer	Office Equipments	Total
<b>Cost or valuation</b>									
At 1 <sup>st</sup> April, 2014	16,020.35	635.48	4,359.56	40,189.55	6,003.92	6,883.09	1,882.62	2,348.18	78,322.76
Additions	110.00	-	4,804.85	11,144.22	-	6,052.08	216.36	421.34	22,748.86
Disposals	-	-	-	-	-	(1,299.00)	-	(65.60)	(1,364.60)
<b>At 31<sup>st</sup> March 2015</b>	<b>16,130.35</b>	<b>635.48</b>	<b>9,164.41</b>	<b>51,333.77</b>	<b>6,003.92</b>	<b>11,636.17</b>	<b>2,098.99</b>	<b>2,703.92</b>	<b>99,707.01</b>
Additions	334.54	-	-	2,066.80	1,137.15	-	366.91	260.91	4,166.30
Disposals	-	-	-	(81.00)	-	-	-	-	(81.00)
<b>At 31<sup>st</sup> March 2016</b>	<b>16,464.89</b>	<b>635.48</b>	<b>9,164.41</b>	<b>53,319.57</b>	<b>7,141.07</b>	<b>11,636.17</b>	<b>2,465.89</b>	<b>2,964.83</b>	<b>103,792.32</b>
<b>Depreciation</b>									
At 1 <sup>st</sup> April, 2014	-	154.57	3,455.41	22,829.71	1,234.21	3,534.35	1,413.81	1,080.51	33,702.57
Charge for the year	-	23.44	166.11	2,844.13	1,278.96	1,236.39	376.85	734.90	6,660.77
Transitional Adjustment (refer Note 2 below)	-	-	-	14.69	5.74	-	42.06	43.40	105.89
Disposals	-	-	-	-	-	(1,044.35)	-	(24.78)	(1,069.13)
<b>At 31<sup>st</sup> March 2015</b>	<b>-</b>	<b>178.01</b>	<b>3,621.52</b>	<b>25,688.53</b>	<b>2,518.91</b>	<b>3,726.40</b>	<b>1,832.72</b>	<b>1,834.02</b>	<b>39,400.10</b>
Charge for the year	-	22.36	569.21	3,885.39	936.60	2,503.05	304.33	474.68	8,695.63
Disposals	-	-	-	-	-	-	-	-	-
<b>At 31<sup>st</sup> March 2016</b>	<b>-</b>	<b>200.36</b>	<b>4,190.73</b>	<b>29,573.92</b>	<b>3,455.51</b>	<b>6,229.45</b>	<b>2,137.05</b>	<b>2,308.70</b>	<b>48,095.73</b>
<b>Net Block</b>									
At 31 <sup>st</sup> March 2016	16,464.89	435.12	4,973.68	23,745.65	3,685.56	5,406.72	328.84	656.13	55,696.59
At 31 <sup>st</sup> March 2015	16,130.35	457.47	5,542.89	25,645.24	3,485.01	7,909.77	266.27	869.91	60,306.91

#### Notes:

- (1) Gross Block is at cost.
- (2) During the Previous year pursuant to the enactment of Companies Act 2013, the Company had reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation was higher by Rs.1378 ('000) for the previous year ended 31<sup>st</sup> March, 2015. Based on transitional provision in note 4.4 Rs. 71.53('000) (net of deferred tax ) was adjusted against retained earnings where the company has ascertained the remaining useful life of the assets as NIL as on 01.04.2014.

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>14 Non-current Investments:</b>		
<b>(Fully Paid Up, At Cost)</b>		
<b>Trade Investments:</b>		
<b>(a) Investments in Equity Instruments</b>		
<b>Investments in Equity Shares of Subsidiaries:</b>		
Equity Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted) 2550 (Prev.Yr. 2550) Equity Shares of Rs.100 each.	255.00	255.00
<b>(b) Investments in Preference Shares :</b>		
100000 ( Prev. Year Nil) 1.5% Non-Cumulative Optionally Convertible Preference Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted)	11,000.00	-
<b>(c) Investments in Government Securities :</b>		
Government Securities (Unquoted) (Deposited with Government authorities)	1.00	1.00
<b>Non-trade Investments:</b>		
<b>(a) Investments in Equity Instruments</b>		
Equity Shares (Quoted)		
Arvind Ltd. (1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	84.99	94.43
Arvind Infrastructure Ltd.(100 (Prev.Yr. Nil) Equity shares Fully paid of Rs.10 Each)	9.44	-
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	85.35	85.35
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	146.71	146.71
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 895) Equity shares Fully paid of Rs.2 Each)	7.01	7.01
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	54.72	54.72
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	155.11	155.11
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	82.93	82.93
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	165.93	165.93
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	76.95	76.95
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	166.92	166.92
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	122.59	122.59
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.10 Each)	176.47	176.47
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	344.30	344.30
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	52.17	52.17
	<b>2,746.27</b>	<b>2,746.27</b>
<b>(b) Investments in Debentures:</b>		
Debentures (Quoted)	40.50	40.50
<b>Total</b>	<b>14,042.77</b>	<b>3,042.77</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	Cost		Market Value	
	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
Aggregate value of Quoted Investments	2,746.27	2,746.27	5,299.46	8,313.99
Aggregate value of Unquoted Investments	11,296.50	296.50	-	-
<b>Total</b>	<b>14,042.77</b>	<b>3,042.77</b>	<b>5,299.46</b>	<b>8,313.99</b>

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>15 Long-term loans and advances:</b>		
<b>(Unsecured and considered good)</b>		
Capital Advances-Related (Refer note 47)	20,475.00	20,475.00
Capital Advances-Others	307.75	86.77
Deposits with Government Authorities and Others	35,036.48	33,237.38
Loans and advances to related parties		
- Subsidiaries (Refer Note 47)	-	9,493.63
<b>Total</b>	<b>55,819.23</b>	<b>63,292.78</b>
<b>16 Other non-current assets:</b>		
Unamortised Share Issue Expenses	60.00	72.00
<b>Total</b>	<b>60.00</b>	<b>72.00</b>
<b>17 Inventories</b>		
(At cost or net realisable value whichever is lower)		
(a) Raw materials	19,059.11	24,010.73
(b) Finished goods	24,700.69	21,997.00
(c) Stock-in-trade / Fuel	7,916.59	13,779.29
<b>Total</b>	<b>51,676.39</b>	<b>59,787.02</b>
<b>18 Trade receivables (Unsecured)</b>		
Considered Good		
Overdue Trade Receivables	292.97	99.89
Trade Receivables	102,258.89	118,847.81
<b>Total</b>	<b>102,551.86</b>	<b>118,947.70</b>
<b>19 Cash and Cash equivalents:</b>		
Earmarked Balance		
Unpaid Dividend Account	1,059.71	985.861
Balances with Scheduled Bank:		
In Current Account	7,486.70	8,493.01
In Fixed deposit	12,733.17	12,413.20
In EEFC Account	0.10	0.10
Cash in Hand	705.68	615.22
<b>Total</b>	<b>21,985.37</b>	<b>22,507.39</b>
Notes:		
Fixed deposits with Banks includes:		
a) Fixed deposit with the banks with maturity period of more than 12 months.	167.00	61.88
b) Fixed deposits in Margin Account	12,494.50	12,188.82

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>20 Short-term loans and advances:</b>		
(Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 46 )	8,350.22	14,548.26
Loans and advances to Employees	-	152.18
Prepaid Expenses	1,080.33	1,174.49
Balance with Government Authorities		
Excise	4,398.36	8,313.59
MVAT Refund	6,330.03	10,199.93
Service Tax	2,416.44	1,717.16
Advances recoverable in cash or kind or for value to be received		
Export Incentive	9,024.35	6,681.64
Advance to Suppliers	446.50	420.35
Others	4.24	4.23
<b>Total</b>	<b>32,050.47</b>	<b>43,211.83</b>
<b>21 Revenue from operations</b>		
Export sales	457,685.78	470,617.94
Local sales (Including Excise Duty)	52,207.76	43,551.14
Export incentives	19,050.70	13,948.77
Less: Excise Duty	(5,193.48)	(4,449.52)
(Dyes and Chemicals)		
<b>Total</b>	<b>523,750.75</b>	<b>523,668.33</b>
<b>22 Other income:</b>		
Interest on Deposit with Banks & Others	1131.78	731.01
Dividend on Investments (non-trade)	57.51	56.42
Profit on sales of assets	0.00	391.19
<b>Total</b>	<b>1,189.28</b>	<b>1,178.62</b>
<b>23 a) Cost of materials consumed (Chemicals &amp; Others)</b>		
Opening Stock	24,010.73	19,442.39
Add: Purchases	165,873.63	158,859.21
Less: Closing Stock	19,059.11	24,010.73
<b>Total</b>	<b>170,825.25</b>	<b>154,290.87</b>
<b>b) Purchases of Stock-in-Trade</b>		
Dyes and Chemicals	205,972.06	239,456.80
<b>Total</b>	<b>205,972.06</b>	<b>239,456.80</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	<b>31<sup>st</sup> March, 2016</b> ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>24 Changes in Inventories of Stock-in-Trade</b>		
Inventories at the end of the year		
Dyes and Chemicals	32,617.28	35,776.29
Sub-total (A)	32,617.28	35,776.29
Inventories at the beginning of the year		
Dyes and Chemicals	35,776.29	43,764.55
Sub-Total (B)	35,776.29	43,764.55
<b>(A) -(B)</b>	<b>3,159.00</b>	<b>7,988.27</b>
<b>25 Employee benefits expense:</b>		
Salaries, Wages, Bonus and Gratuity	16,726.61	16,295.26
Employees' Welfare Expenses	1,011.00	456.65
<b>Total</b>	<b>17,737.61</b>	<b>16,751.92</b>
<b>26 Finance costs:</b>		
Bank Interest	4,401.20	4,858.47
Bank Charges-Processing Fees	1,073.36	610.06
Other Interest	1,146.42	1,201.35
<b>Total</b>	<b>6,620.98</b>	<b>6,669.88</b>
<b>27 Depreciation and amortization expense</b>		
Depreciation (As per Note 13)	8,695.63	6,660.77
Amortisation of Deferred Revenue Expenses	12.00	12.00
<b>Total</b>	<b>8,707.63</b>	<b>6,672.77</b>
<b>28 Operating Expenses</b>		
Stores and Spare Consumed	4,087.77	3,098.21
Power and Fuel	15,835.54	13,143.46
Factory Rent	4,200.00	3,000.00
Labour & Transport	15,582.20	12,729.72
Repairs & Maintenance	7,686.30	6,577.41
Packing Material	7,633.27	6,744.78
<b>Total</b>	<b>55,025.08</b>	<b>45,293.58</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016**

		<b>31<sup>st</sup> March, 2016</b> ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>29 Administrative, Selling and General expenses</b>			
Export Clearing ,Freight & Forwarding		7,309.59	8,017.99
Professional & Legal Charges		5,551.43	4,238.98
Prior Period Expenses		60.00	26.79
Travelling Expenses		5,569.81	4,653.47
Insurance Charges		2,964.09	2,461.35
Rent ,Rates & Electricity		2,511.45	2,477.69
Donation		490.25	623.00
Exchange Gain /Loss		2,839.92	(209.14)
Commission		3,530.41	1,995.67
Miscellaneous/ Office Expenses		13,036.85	10,005.33
Loss on Unauthorised Delivery (Refer Note no 34)		-	1,738.66
<b>Total</b>		<b>43,863.79</b>	<b>36,029.77</b>
<b>30 Earnings per share:</b>			
The Numerators and denominators used to calculate Earnings per Share:			
Nominal Value of Equity Share (Rs.)	Rs.	10/-	10/-
Net Profit available for equity shareholders(Rs.In lacs) = (A)	Rs.	8,943.31	7,901.14
Weighted Average number of shares outstanding during the year - (B)	Nos.	5,474,500	5,474,500
<b>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</b>	<b>Rs.</b>	<b>1.63</b>	<b>1.44</b>
<b>MISC EXPENSES</b>			
Telephone & Postage		1659.52	1,149
Printing and Stationary		605.67	449
Bank Charges		2210.38	1,913
Licence Fees		0.00	
Sales Promotion/ Exhibition Expenses		2816.91	874
DGFT EXPENSES		0.00	
Quality Compensation		1217.86	
Miscellaneous/ Office Expenses		3284.43	1,575
<b>TOTAL</b>		<b>11,794.78</b>	<b>5,960.42</b>

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>31 Contingent liabilities and Commitments:</b>		
<b>(i) Contingent Liabilities</b>		
(a) Income tax matters not acknowledged as debt	370.81	370.81
(b) Dues Raised by M.S.E.B which is protested by Company.	250.00	250.00
(c) Sales Tax demands disputed by the Company relating to forms etc.	105.12	105.12
<b>Total</b>	<b>725.93</b>	<b>725.93</b>
<b>(ii) Commitment</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	500	1000.00
	<b>500.00</b>	<b>1,000.00</b>
<b>32 Payments to Auditors for the year</b>		
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	425.11	314.61
(b) For Tax Audit	209.80	157.30
(c) Certification and Other matters	281.22	156.74
(d) Taxation Matters	100.80	50.56
<b>Total</b>	<b>1,016.93</b>	<b>679.21</b>
<b>33</b> The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.		
<b>34</b> During the previous year there was an unauthorised delivery taken of an export consignment amounting to Rs. 2876('000), However, compensation of Rs. 1137 ('000) was received from Logistic service provider which resulted in loss amounting to Rs.1738.66 ('000).		
<b>35</b> Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realisation of the same may significantly differ.		
<b>36</b> The Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.		
<b>37</b> Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.		
<b>38</b> Some assets of which the company is beneficial owner are pending for transfer in the name of the company.		
<b>39</b> No provision has been made in the accounts for diminution in the value of quoted & unquoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.		
<b>40</b> Bonus is accounted on cash basis, which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.		
<b>41</b> In the opinion of the Board of Directors to the best of Knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.		
<b>42</b> Unpaid Dividend accounts are subject to reconciliation.		
<b>43</b> The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.		
<b>44</b> The outstanding forward exchange contract as on 31/03/2016 entered into by the company was for USD 300.00 ('000) equivalent to Rs. 20370.00 ('000) (Prev. year USD 687.60 ('000) equivalent to Rs.43326.26 ('000) ).		



## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

**45** The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard – As 17 on Segment Reporting.

**46** As stipulated in Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants Of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.

### 47 Related Party Disclosures

As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

#### I List of Related Parties

##### a) Entities where control exists

Shree Ambika Naturals Pvt. Ltd. (Formerly Known as Shree Ambika Dye Chem. Pvt. Ltd.)

##### b) Key Management Personal (KMP)

Mr V. P. Shah

Dr. S. N. Sahai

Mr Jagdeep Mehta

Ms Trupti Shah

##### c) Relatives of KMP

Ms. Jaya P. Shah

V. P. Shah HUF

Ms Mita V Shah

Mr Mihir V Shah

##### d) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)

Jayshree Chemicals

Ganesh Tiles & Marble Industries

Amar Trading Corporation

VIP Chem Pvt Ltd.

Standardcon Pvt.Ltd.

#### II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2016

(Rs. in '000)

Nature of transaction	Year	Entities where control Exist	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2015-2016	7,880.48	-	10,025.51	25,423.61
	2014-2015	2,435.98	-	174.00	10,104.79
Sale/Services/Interest	2015-2016	1,018.77	-	-	10,156.98
	2014-2015	139.52	-	-	9,239.56
Investment In Preference Shares	2015-2016	11,000.00	-	-	-
	2014-2015	-	-	-	-
Advance /Loan Given (net)/ (Received)	2015-2016	(8,149.28)	(200.00)	-	7,434.93
	2014-2015	277.92	(200.00)	-	11,125.68
Mangerial Remuneration /Salary	2015-2016	-	4,560.00	430.00	-
	2014-2015	-	4,180.00	370.00	-
Balance Receivable/(Payable)	3/31/2016	(5,517.35)	(107.18)	20,420.06	33,001.12
	3/31/2015	9,493.63	(385.82)	20,364.52	40,832.82

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 Rupees in thousand		31 <sup>st</sup> March, 2015 Rupees in thousand	
<b>48 Imported and Indigenous Raw material Consumed</b>		%		%
Imported	27,359.69	16	25,913.55	15
Indigenous	143,465.56	84	128,377.32	85
	<b>170,825.25</b>	<b>100</b>	<b>154,290.87</b>	<b>100</b>

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>49 Earning in Foreign Exchange</b>		
Export at F.O.B. Value:		
Dyes/Dyes Intermediates & Others	438,235.35	4,69,139.54
	<b>438,235.35</b>	<b>4,69,139.54</b>
<b>50 Particulars of expenditure in Foreign Currency :</b>		
Particulars		
Commission	3,455.34	1,716.25
Traveling Expenses	2,367.11	1,930.37
Other Expenses	3,024.45	542.39
	<b>8,846.90</b>	<b>4,189.01</b>
<b>51 C.I.F. Value of imports</b>		
Raw Material & Finished Goods	22,525.61	40,713.66
	<b>22,525.61</b>	<b>40,713.66</b>

	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
<b>52 Disclosure of Loan to Subsidiary</b>				
Subsidiary Company	Amount Outstanding	Maximum Outstanding	Amount Outstanding	Maximum Outstanding
Shree Ambika Naturals Private Limited (The above amount was given for capital expenditure)	-	10,404.75	9,493.63	13,053.52

**53** Previous year figures are regrouped / re classified wherever necessary to correspond with current year classification / disclosure.

**In terms of our report attached.**

**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Place :** Mumbai

**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**

**Pravinchandra B. Shah** **Vipul P. Shah**  
Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
Chief Financial Officer Company Secretary

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Vipul Dyechem Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vipul Dyechem Limited (herein after referred to as the Holding Company) and its subsidiary (the Holding Company and its subsidiary together referred to, "the Group", which comprise the Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss and Consolidated Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the consolidated financial statements")

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of 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; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the preparation of the consolidated financial statements by the directors of the Holding company, as aforesaid.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

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 purposes 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 has been kept so far as it appears from our examination of those books;

- (c) the Consolidated Balance Sheet, the consolidated statement of profit and loss and the consolidated cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors of the Holding company as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors of the Holding company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
- (g) 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 consolidated financial statements has disclosed the impact of pending litigation on its consolidated financial position of the group in its consolidated financial statements in accordance with the generally accepted accounting practice (refer note 31);
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In respect of Subsidiary company, there were no amounts required to be transferred to the Investor Education and Protection Fund.

**For J. A. Rajani & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 108331W**

**P. J. Rajani**  
**Proprietor**  
**Membership No. 116740**

**Place: Mumbai**

**Date: 30th May, 2016.**

## **“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Vipul Dyechem Limited**

### **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 Vipul Dyechem Limited (“the Holding Company”) and its Subsidiary Company as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal financial control based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company and its subsidiary incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the 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 the 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 the auditor’s judgement, 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 the internal financial controls system over financial reporting of the aforesaid entities.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control 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 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 Internal 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 be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control 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 Holding Company and its subsidiary Company incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control 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 Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

**For J. A. Rajani & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 108331W**

**P. J. Rajani**  
**Proprietor**  
**Membership No. 116740**

**Place: Mumbai**

**Date: 30th May, 2016.**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

	Note No.	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015
		₹ in thousand	₹ in thousand	₹ in thousand
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) SHAREHOLDERS' FUNDS</b>				
(a) Share Capital	3	54,745.00		54,745.00
(b) Reserves & surplus	4	75,477.32		71,469.09
			<b>1,30,222.32</b>	1,26,214.09
			(1,331.43)	(1,468.41)
<b>MINORITY INTEREST</b>				
<b>(2) NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	5	1,981.77		5,465.53
(b) Deferred tax liabilities (Net)	6	1,372.43		607.51
(c) Other Long term liabilities	7	422.16		1,665.92
(d) Long-term provisions	8	269.22		274.00
			<b>4,045.59</b>	8,012.96
<b>(3) CURRENT LIABILITIES</b>				
(a) Short-term borrowings	9	62,192.87		90,817.11
(b) Trade payables	10	1,13,998.68		1,24,227.69
(c) Other current liabilities	11	9,785.35		10,789.71
(d) Short-term provisions	12	9,108.07		8,150.08
			<b>1,95,084.96</b>	2,33,984.59
<b>(4) INTER UNIT</b>			<b>(0.00)</b>	
<b>TOTAL</b>			<b>3,28,022.44</b>	3,66,743.22
<b>II. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(1) (a) Fixed assets				
(i) Tangible assets	13	58,351.16		63,364.78
(iii) Capital work-in-progress		1,271.02		926.00
(b) Non-Current Investments	14	2,787.77		2,787.77
(c) Long-term loans and advances	15	55,861.91		53,841.83
(d) Other non-current assets	16	60.00		72.00
			<b>1,18,331.86</b>	1,20,992.39
<b>CURRENT ASSETS</b>				
(2) (a) Inventories	17	51,375.28		59,528.33
(b) Trade receivables	18	1,03,918.20		1,19,829.00
(c) Cash and Cash equivalents	19	22,117.36		22,653.44
(d) Short-term loans and advances	20	32,279.73		43,740.07
			<b>2,09,690.58</b>	2,45,750.84
<b>TOTAL</b>			<b>3,28,022.44</b>	3,66,743.22

See accompanying notes to the consolidated financial statements

In terms of our report attached.

**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Place :** Mumbai  
**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**
**Pravinchandra B. Shah** **Vipul P. Shah**  
Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
Chief Financial Officer Company Secretary



**STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	<b>Note No.</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
		<b>₹ in thousand</b>	<b>₹ in thousand</b>
I. Revenue from operations	21	5,25,255.15	5,24,568.33
II. Other income	22	950.65	1,181.45
<b>III. Total Revenue (I + II)</b>		<b>5,26,205.80</b>	<b>5,25,749.78</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	1,71,775.25	1,55,466.59
Purchases of Stock-in-Trade	23	2,03,867.88	2,37,020.83
Changes in Inventories of Stock-in-Trade	24	3,159.00	9,449.67
Employee benefits expense	25	18,398.93	17,403.25
Finance costs	26	6,622.61	6,810.12
Depreciation and amortization expense	27	9,110.82	7,174.22
Operating Expenses	28	55,150.65	45,554.00
Administrative, Selling and General expenses	29	44,350.83	36,286.85
<b>Total expenses</b>		<b>5,12,435.97</b>	<b>5,15,165.52</b>
<b>V. Profit before tax (III-IV)</b>		<b>13,769.82</b>	<b>10,584.26</b>
<b>VI. Tax expense:</b>			
(1) Current tax		3,750.00	3,050.00
(2) Deferred tax		764.93	513.39
		4,514.93	3,563.39
<b>VII. Profit for the period after tax (V-VI)</b>		<b>9,254.90</b>	<b>7,020.87</b>
Share of Minority		(136.98)	224.68
<b>VIII. Profit for the period after Minority</b>		<b>9,117.92</b>	<b>7,245.55</b>
<b>VIII. Earnings per equity share:</b>	30		
(1) Basic		<b>1.67</b>	1.32
(2) Diluted		<b>1.67</b>	1.32

See accompanying notes to the consolidated financial statements

In terms of our report attached.

**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Place :** Mumbai  
**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**

**Pravinchandra B. Shah** **Vipul P. Shah**  
Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
Chief Financial Officer Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in thousand	₹ in thousand
<b>A. Cash Flow from Operating Activities:</b>		
Profit Before Tax	13,769.82	10,584.26
Adjustments for:		
Depreciation and Amortisation	9,110.82	7,174.22
Interest Expenses (Net)	6,622.61	6,810.12
Dividend Income	(57.51)	(56.42)
Other Income	(893.14)	(733.84)
Profit/Loss on sale of Fixed Assets	-	(391.19)
	<b>14,782.78</b>	<b>12,802.88</b>
Operating Profit Before Working Capital Changes	28,552.61	23,387.15
(Increase) / Decrease in Long-term and Short term loans and advances	9,580.95	9,923.36
(Increase) / Decrease in Other Current and Non-current assets	12.00	12.00
(Increase) / Decrease in Inventories	8,153.04	5,538.23
(Increase) / Decrease in Trade receivables	15,910.79	(18,874.62)
(Decrease) / Increase in Trade payables and liabilities	(13,286.47)	13,747.96
	<b>20,370.32</b>	<b>10,346.93</b>
Cash Generated from Operations	48,922.92	33,734.08
Direct Taxes Paid (including TDS) Net	(2,942.84)	(3,056.71)
Net Cash Flow from Operating Activities - A	<b>45,980.09</b>	<b>30,677.37</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible and Intangible Assets	(4,430.32)	(22,363.66)
Interest and Dividend Income	950.65	790.26
Net Cash used in Investing Activities - B	<b>(3,479.67)</b>	<b>(21,573.40)</b>
<b>C. Cash Flow from Financing Activities:</b>		
(Decrease) / Increase in Borrowings (net)	(32,108.00)	4,996.30
Dividend Paid	(4,305.45)	(4,405.62)
Interest Paid and Finance Cost	(6,622.61)	(6,810.12)
Net Cash from Financing Activities - C	<b>(43,036.05)</b>	<b>(6,219.44)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C	<b>(535.64)</b>	<b>2,884.53</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	9,384.62	10,240.24
- Deposits with Banks and Interest Accrued thereon **	12,733.17	12,413.20
	22,117.80	22,653.44
Less: Cash and Cash Equivalents as at the beginning of the year	<b>22,653.44</b>	19,768.91
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(535.64)</b>	<b>2,884.53</b>

Note:

## This includes Rs. 1059.71 thousands balance in earmarked account (Prev.Yr. includes Rs. 985.861 thousands )

\*\* This Includes Rs.167.00 thousands held in deposit for more than 12 months (Prev. Yr. Rs. 61.88 thousands )

Figures in bracket denote outflow of cash.

**In terms of our report attached.**

**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Place :** Mumbai  
**Dated :** 30th May, 2016

**For and on behalf of the Board of Directors**  
**Vipul Dyechem Limited**

**Pravinchandra B. Shah**      **Vipul P. Shah**  
Chairman                              Managing Director

**Dr. S. N. Sahai**                      **Mitali K. Shah**  
Chief Financial Officer              Company Secretary

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016

### 1. Corporate Information

The Company is mainly in business of Dyes, Chemicals & Intermediates

### 2. Basis of Consolidation:

"The consolidated financial statement relates to the Vipul Dychem Ltd., the holding company and its subsidiary Shree Ambika Naturals Pvt. Ltd, together "the Group". The Financial Statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Company, i.e. 31<sup>st</sup> March, 2016.

The consolidation of the financial statements of the company with its subsidiary has been prepared in accordance with the requirements of accounting standard (AS) 21 "Consolidated Financial Statements". The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus'."

"Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

The financial statement of the parent and its subsidiary are combined on a line-by-line basis and intra-group balances, intra-group transactions and unrealized profits or losses are fully eliminated in accordance with Accounting Standard (AS-21)"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India ."

### 3. Significant Accounting Policies

#### a. System Of Accounting:

"The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

The financial statements have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles generally accepted in India (Indian GAAP), including Accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 .

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods"

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III to the Companies Act, 2013.

#### b. Fixed Assets, Depreciation And Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

"In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss."

#### c. Investments

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

**d. Prior Period Adjustments:**

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

**e. Inventories:**

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

**f. Revenue Recognition:**

"Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export. "Sales includes Central Excise and other incidental charges." Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

**g. Deferred Revenue Expenditure:**

Shares Issue Expenses are amortised over a period of 10 years.

**h. Retirement Benefits:**

"The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation. Provision for leave entitlement is accrued and provided for at the end of the financial year."

**i. Bonus:**

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

**j. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which this are incurred.

**k. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

**l. Accounting For Tax On Income:**

"The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible reliefs'. Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization."

**m. Research & Development:**

"Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets."

**n. Expenditure During Construction And On New Projects:**

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

**o. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

<b>3 Share capital:</b>	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>₹ in thousand</b>	<b>₹ in thousand</b>
<b>3.1 Authorised :</b>		
60,00,000 (P. Y. 60,00,000 )Equity Shares of Rs.10 each	60,000.00	60,000.00
<b>TOTAL</b>	<b>60,000.00</b>	<b>60,000.00</b>
<b>3.2 Issued, Subscribed and Fully Paid-up Shares:</b>		
54,74,500 (P. Y.54,74,500) Equity Shares of Rs.10 each fully paid up	54,745.00	54,745.00
<b>TOTAL</b>	<b>54,745.00</b>	<b>54,745.00</b>

**3.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**

	Number of shares (Nos.)		Share Capital Rupees in thousand	
	<b>Figures for the current reporting period</b>	<i>Figures for the previous reporting period</i>	<b>Figures for the current reporting period</b>	<i>Figures for the previous reporting period</i>
Balance as at Beginning of Year	54,74,500	54,74,500	54,745.00	54,745.00
Balance as at End of Year	<b>54,74,500</b>	54,74,500	<b>54,745.00</b>	54,745.00

**3.4 Terms / rights attached to equity shares**

- Fully paid equity shares, which have a par value of Rs. 10/-, carry one vote per share and carry a right to dividends.
- Dividends if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their judgement the position of the Company justifies.
- During the year ended March 31, 2016, the amount of per share dividend recognised as Re. 0.80 (March 31, 2015 Re. 0.80)
- In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

**3.5 List of shareholders who holds more than 5% of equity shares in the company:**

<b>Name of the shareholders</b>	<b>31<sup>st</sup> March, 2016</b>		<b>31<sup>st</sup> March, 2015</b>	
	<b>(No.s)</b>	<b>%</b>	<b>(No.s)</b>	<b>%</b>
Pravinchandra B. Shah HUF	-	0.00%	4,72,550	8.63%
Vipul P. Shah	7,26,100	13.26%	7,26,100	13.26%
Mihir V. Shah	9,60,600	17.55%	9,60,600	17.55%
Vatsal V. Shah	4,86,050	8.88%	13,500	0.25%
	<b>21,72,750</b>	<b>39.69%</b>	<b>21,72,750</b>	<b>39.44%</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>₹ in thousand</b>	<b>₹ in thousand</b>
<b>4 Reserves and surplus:</b>		
Capital Reserve	6,277.70	6,277.70
Securities Premium Account	29,478.00	29,478.00
Capital Reserve on Consolidation	48.20	48.20
General Reserve	9,009.75	9,009.75
Profit and loss account	30,663.67	26,655.44
<b>Total</b>	<b>75,477.32</b>	<b>71,469.09</b>
<b>4.1 Capital Reserve</b>		
As per Last Balance Sheet	6,277.70	6,277.70
Balance at end of year	<b>6,277.70</b>	<b>6,277.70</b>
<b>4.2 Securities Premium Account:</b>		
Balance at beginning of year	29,478.00	29,478.00
Balance at end of year	<b>29,478.00</b>	<b>29,478.00</b>
<b>4.3 General Reserve</b>		
Balance at beginning of year	9,009.75	9,009.75
Balance at end of year	<b>9,009.75</b>	<b>9,009.75</b>
<b>4.4 Profit and loss account</b>		
Balance at beginning of year	26,655.45	25,196.52
Add: Profit after Tax for the year	9,117.92	7,245.55
Less: Appropriations:		
Tax Adjustments	121.68	(539.43)
Depreciation on transition to schedule II of the Companies Act, 2013 on fixed assets with 'Nil' remaining useful life (net of deferred tax)(refer note 13)	-	(71.53)
Proposed Dividend - Final	(4,379.60)	(4,379.60)
Corporate Dividend Tax thereon	(851.78)	(796.06)
Balance at end of year	<b>30,663.67</b>	<b>26,655.45</b>
<b>5 Long term borrowings:</b>		
<b>5.1 Secured Loans</b>		
Loan from Bank (Refer Note no 11)	1,981.77	3,547.70
<b>Sub Total (A)</b>	<b>1,981.77</b>	<b>3,547.70</b>
<b>5.2 Unsecured Loans</b>		
Loan from Director	0.00	200.00
Loan from Others (Refer Note no 11) **	0.00	1717.83
<b>Sub Total (B)</b>	<b>-</b>	<b>1,917.83</b>
<b>Total (A) + (B)</b>	<b>1,981.77</b>	<b>5,465.53</b>

\*\* Personal Guarantee of Directors

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March,2016

### Secured Loans from Banks

Rs. Nil ('000) (Previous Year Rs.Nil ('000) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 28th February ,2016 and carry interest rate of 10.75 % p.a.

Rs. Nil ('000) (Previous Year Rs.442 ('000) secured by hypothecation of vehicles from Axis Bank Ltd. Equal monthly instalments over the period of loan by 15th September,2016 and carry interest rate of 9.75 % p.a.

Rs. 1835('000) (Previous Year Rs.2663 ('000) secured by hypothecation of vehicles from HDFC Bank Ltd. Equal monthly instalments over the period of loan by 5th February ,2019 and carry interest rate of 10.01 % p.a.

Rs. 146('000) (Previous Year Rs.Nil ('442) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 21st November,2017 and carry interest rate of 11.8 % p.a.

### Unsecured Loans from Others

Repayment of loan from Gujrat Industrial Development Ltd. in Quarterly Equal instalments by 31<sup>st</sup> March,2016 and carry interest rate of 13.5 % p.a.

Repayment of loan from Tata Capital Financial Services Ltd. in monthly scheduled instalments by 3rd September,2016 and carry interest rate of 15.62 % p.a.

Repayment of loan from Magma Fincorp Ltd. in monthly scheduled instalments by 7th August,2016 and carry interest rate of 15.99 % p.a.

	31 <sup>st</sup> March,2016	31 <sup>st</sup> March,2015
	₹ in thousand	₹ in thousand
<b>6 Deferred Tax Liability</b>		
<b>Major components of deferred tax are:</b>		
Related to Fixed Assets	2,795.00	2,475.86
Business Loss	(1,422.57)	(1,868.36)
<b>Net Deferred Tax Liability</b>	<b>1,372.43</b>	<b>607.51</b>
<b>7 Other Long-term Liabilities:</b>		
Payables on purchase of Fixed Assets	372.16	1,615.922
Deposit from Dealers	50.00	50.000
<b>Total</b>	<b>422.16</b>	<b>1,665.92</b>
<b>8 Long-term provisions:</b>		
Provision for Gratuity	269.22	274.00
<b>Total</b>	<b>269.22</b>	<b>274.00</b>
<b>9 Short-term borrowings:</b>		
<b>(a) Loans repayable on demand</b>		
From banks		
Secured	62,192.87	90,817.11
<b>Total</b>	<b>62,192.87</b>	<b>90,817.11</b>



## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016

The working capital facilities from Banks are secured by way of Hypothecation of Stock and Book Debts. The above loans also covered by following collateral securities as under:-

- i) EMDTD of land property & building with machinery/electricals installation situated at Plot no 12 , Survey no 35, Diwan & Sons Industrial Estate, Palghar
- ii) Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate , Palghar.
- iii) Land & Building at Plot no 10 & 16, Diwan & Sons Ind.Est. Palghar & Machinery at Plot no 10 of Jaysree Chemicals.
- iii) Certain machinery at Ambarnath Manufacturing Unit.
- iv) Also covered in personal guarantee of 2 directors & corporate guarantee of Jaysree Chemicals .

	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in thousand	₹ in thousand
<b>10 Trade payables</b>		
Other than micro and small enterprises **	99,071.01	98,867.57
Acceptances	14,927.67	25,360.12
<b>Total</b>	<b>1,13,998.68</b>	<b>1,24,227.69</b>
** The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount .		
<b>11 Other current liabilities:</b>		
Current maturities of long-term secured loan (See Note 5.1)	1,564.56	1,980.04
Current maturities of long-term unsecured loan (See Note 5.2)	1,663.83	3,521.04
Advance from Customers	3,672.26	3,748.45
Unpaid Dividends	1,055.01	980.86
Duties & taxes	1,829.67	559.32
<b>Total</b>	<b>9,785.35</b>	<b>10,789.71</b>
<b>12 Short-term provisions:</b>		
Provision for Tax	3,876.69	2,974.42
Proposed Dividend	4,379.60	4,379.60
Corporate Dividend Tax	851.78	796.06
<b>Total</b>	<b>9,108.07</b>	<b>8,150.08</b>

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016

### 13 Tangible Assets

₹ in thousand

	Factory Land	Office Premises	Buildings	Plant And Machinery	Furniture And Fixtures	Vehicles	Computer	Office Equipments	Total
<b>Cost or valuation</b>									
<i>At 1st April, 2014</i>	16,040.85	635.48	4,799.46	44,612.99	6,003.92	6,883.13	1,882.62	2,348.18	83,206.63
<i>Additions</i>	110.00	-	4,804.85	11,144.22	-	6,052.08	216.36	421.34	22,748.86
<i>Disposals</i>		-	-	-	-	(1,299.00)	-	(65.60)	(1,364.60)
<b>At 31<sup>st</sup> March 2015</b>	<b>16,150.85</b>	<b>635.48</b>	<b>9,604.31</b>	<b>55,757.21</b>	<b>6,003.92</b>	<b>11,636.21</b>	<b>2,098.99</b>	<b>2,703.92</b>	<b>1,04,590.89</b>
<i>Additions</i>	334.54	-	-	2,066.80	1,137.15	-	366.91	260.91	4,166.30
<i>Disposals</i>	-	-	-	(81.00)	-	-	-	-	(81.00)
<b>At 31<sup>st</sup> March 2016</b>	<b>16,485.39</b>	<b>635.48</b>	<b>9,604.31</b>	<b>57,743.01</b>	<b>7,141.07</b>	<b>11,636.21</b>	<b>2,465.89</b>	<b>2,964.83</b>	<b>1,08,676.19</b>
<b>Depreciation</b>									
<i>At 1st April, 2014</i>	-	154.57	3,564.37	24,045.34	1,234.27	3,534.36	1,413.81	1,080.51	35,027.22
<i>Charge for the year</i>	-	23.44	195.61	3,316.01	1,279.02	1,236.39	376.85	734.90	7,162.22
<i>Transitional Adjustment (refer Note 2 below)</i>				14.69	5.74	0.02	42.06	43.40	105.90
<i>Disposals</i>	-	-	-	-	-	(1,044.35)	-	(24.78)	(1,069.13)
<b>At 31<sup>st</sup> March 2015</b>	<b>-</b>	<b>178.01</b>	<b>3,759.98</b>	<b>27,376.04</b>	<b>2,519.03</b>	<b>3,726.42</b>	<b>1,832.72</b>	<b>1,834.02</b>	<b>41,226.21</b>
<i>Charge for the year</i>	-	22.36	595.06	4,262.73	936.60	2,503.05	304.33	474.68	9,098.82
<i>Disposals</i>	-	-	-	-	-	-	-	-	-
<b>At 31<sup>st</sup> March 2016</b>	<b>-</b>	<b>200.36</b>	<b>4,355.04</b>	<b>31,638.77</b>	<b>3,455.63</b>	<b>6,229.48</b>	<b>2,137.05</b>	<b>2,308.70</b>	<b>50,325.03</b>
<b>Net Block</b>									
<b>At 31<sup>st</sup> March 2016</b>	<b>16,485.39</b>	<b>435.12</b>	<b>5,249.27</b>	<b>26,104.24</b>	<b>3,685.44</b>	<b>5,406.73</b>	<b>328.84</b>	<b>656.13</b>	<b>58,351.16</b>
<b>At 31<sup>st</sup> March 2015</b>	<b>16,150.85</b>	<b>457.47</b>	<b>5,844.33</b>	<b>28,381.17</b>	<b>3,484.89</b>	<b>7,909.78</b>	<b>266.27</b>	<b>869.91</b>	<b>63,364.67</b>

### Notes:

- (1) Gross Block is at cost.
- (2) During the Previous year pursuant to the enactment of Companies Act 2013, the Company had reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation was higher by Rs. 1401 ('000) for the previous year ended 31<sup>st</sup> March, 2015. Based on transitional provision in note 4.4 Rs. 71.63('000) (net of deferred tax ) was adjusted against retained earnings where the company has ascertained the remaining useful life of the assets as NIL as on 01.04.2014.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>₹ in thousand</b>	<b>₹ in thousand</b>
<b>14 Non-current Investments:</b>		
<b>(Fully Paid Up, At Cost)</b>		
<b>Trade Investments:</b>		
<b>(a) Investments in Government Securities :</b>		
Government Securities (Unquoted)	1.00	1.00
(Deposited with Government authorities)		
<b>Non-trade Investments:</b>		
<b>(a) Investments in Equity Instruments</b>		
Equity Shares (Quoted)		
Arvind Ltd. (1000 (Prev. Yr. 1000) Equity shares Fully paid of Rs. 10 Each)	84.99	94.43
Arvind Infrastructure Ltd. (100 (Prev. Yr. Nil) Equity shares Fully paid of Rs. 10 Each)	9.44	-
Bodal Chemicals Ltd. (2500 (Prev. Yr. 2500) Equity shares Fully paid of Rs. 2 Each)	85.35	85.35
Global Offshore Services Ltd. (8400 (Prev. Yr. 8400) Equity shares Fully paid of Rs. 10 Each)	146.71	146.71
Gujarat State Fertilizers & Chemicals Ltd. (895 (Prev. Yr. 895) Equity shares Fully paid of Rs. 2 Each)	7.01	7.01
Hotel Leela Ventures Ltd. (1000 (Prev. Yr. 1000) Equity shares Fully paid of Rs. 2 Each)	54.72	54.72
J S W Energy Ltd. (1250 (Prev. Yr. 1250) Equity shares Fully paid of Rs. 10 Each)	155.11	155.11
Kiri Industries Ltd. (500 (Prev. Yr. 500) Equity shares Fully paid of Rs. 10 Each)	82.93	82.93
Mafatlal Industries Ltd. (346 (Prev. Yr. 346) Equity shares Fully paid of Rs. 10 Each)	165.93	165.93
Navin Flourine International Ltd. (346 (Prev. Yr. 346) Equity shares Fully paid of Rs. 10 Each)	76.95	76.95
NOCIL Ltd. (20,000 (Prev. 20,000) Equity shares Fully paid of Rs. 10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev. Yr. 500) Equity shares Fully paid of Rs. 5 Each)	166.92	166.92
Pricol Ltd. (3000 (Prev. Yr. 3000) Equity shares Fully paid of Rs. 1 Each)	122.59	122.59
Petronet LNG Ltd. (3000 (Prev. Yr. 3000) Equity shares Fully paid of Rs. 10 Each)	176.47	176.47
Standard Industires Ltd. (9900 (Prev. Yr. 9900) Equity shares Fully paid of Rs. 5 Each)	344.30	344.30
Vijaya Bank Ltd. (1000 (Prev. Yr. 1000) Equity shares Fully paid of Rs. 10 Each)	52.17	52.17
	<b>2,746.27</b>	<b>2,746.27</b>
<b>(b) Investments in Debentures:</b>		
Debentures (Quoted)	40.50	40.50
<b>Total</b>	<b>2,787.77</b>	<b>2,787.77</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	Cost		Market Value	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in thousand	₹ in thousand	₹ in thousand	₹ in thousand
Aggregate value of Quoted Investments*	2,746.27	2,746.27	5,299.46	8,313.99
Aggregate value of Unquoted Investments	41.50	41.50	-	-
<b>Total</b>	<b>2,787.77</b>	<b>2,787.77</b>	<b>5,299.46</b>	<b>8,313.99</b>

	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in thousand	₹ in thousand
<b>15 Long-term loans and advances:</b>		
<b>(Unsecured and considered good)</b>		
Capital Advances-Related (Refer note 47)	20,475.00	20,475.00
Capital Advances-Others	307.75	86.77
Deposits with Government Authorities and Others	35,079.16	33,280.06
<b>Total</b>	<b>55,861.91</b>	<b>53,841.83</b>
<b>16 Other non-current assets:</b>		
Unamortised Share Issue Expenses	60.00	72.00
<b>Total</b>	<b>60.00</b>	<b>72.00</b>
<b>17 Inventories</b>		
(At cost or net realisable value whichever is lower)		
(a) Raw materials	19,105.33	24,099.37
(b) Finished goods	24,353.36	21,649.67
(c) Stock-in-trade / Fuel	7,916.59	13,779.29
<b>Total</b>	<b>51,375.28</b>	<b>59,528.33</b>
<b>18 Trade receivables (Unsecured)</b>		
Considered Good		
Overdue Trade Receivables	292.97	99.89
Trade Receivables	1,03,625.23	1,19,729.11
<b>Total</b>	<b>1,03,918.20</b>	<b>1,19,829.00</b>

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in thousand	₹ in thousand
<b>19 Cash and Cash equivalents:</b>		
Earmarked Balance		
Unpaid Dividend Account	1,059.71	985.861
Balances with Scheduled Bank:		
In Current Account	7,584.75	8,605.18
In Fixed deposit	12,733.17	12,413.20
In EEFC Account	0.10	0.10
Cash in Hand	740.06	649.10
<b>Total</b>	<b>22,117.80</b>	<b>22,653.44</b>
Notes:		
Fixed deposits with Banks includes:		
a) Fixed deposit with the banks with maturity period of more than 12 months.	167.00	61.88
b) Fixed deposits in Margin Account	<b>12,494.50</b>	<b>12,188.82</b>
<b>20 Short-term loans and advances:</b>		
(Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 46 )	8,350.22	14,548.26
Loans and advances to Employees	-	152.18
Prepaid Expenses	1,080.33	1,174.49
Balance with Government Authorities		
Excise	4,398.36	8,313.59
MVAT Refund	6,330.03	10,648.56
Service Tax	2,416.44	1,717.16
Advance tax	207.81	67.12
Advances recoverable in cash or kind or for value to be received		
Export Incentive	9,024.35	6,681.64
Advance to Suppliers	446.50	420.35
Others	25.69	16.73
<b>Total</b>	<b>32,279.73</b>	<b>43,740.07</b>
<b>21 Revenue from operations</b>		
Export sales	4,57,685.78	4,70,617.94
Local sales (Including Excise Duty)	53,712.16	43,551.14
Export incentives	19,050.70	13,948.77
Less: Excise Duty	(5,193.48)	(4,449.52)
(Dyes and Chemicals)		
Processing Income	-	900.00
<b>Total</b>	<b>5,25,255.15</b>	<b>5,24,568.33</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>
	<b>₹ in thousand</b>	<b>₹ in thousand</b>
<b>22 Other income:</b>		
Interest on Deposit with Banks & Others	893.14	733.84
Dividend on Investments (non-trade)	57.51	56.42
Profit on sales of assets	0.00	391.19
<b>Total</b>	<b>950.65</b>	<b>1,181.45</b>
<b>23 a) Cost of materials consumed (Chemicals &amp; Others)</b>		
Opening Stock	24,056.95	20,104.39
Add: Purchases	1,66,823.63	1,59,419.15
Less: Closing Stock	19,105.33	24,056.95
<b>Total</b>	<b>1,71,775.25</b>	<b>1,55,466.59</b>
<b>b) Purchases of Stock-in-Trade</b>		
Dyes and Chemicals	2,03,867.88	2,37,020.83
<b>Total</b>	<b>2,03,867.88</b>	<b>2,37,020.83</b>
<b>24 Changes in Inventories of Stock-in-Trade</b>		
Inventories at the end of the year		
Dyes and Chemicals	32,269.96	35,428.96
<b>Sub-total (A)</b>	<b>32,269.96</b>	<b>35,428.96</b>
Inventories at the beginning of the year		
Dyes and Chemicals	35,428.96	44,878.63
<b>Sub-Total (B)</b>	<b>35,428.96</b>	<b>44,878.63</b>
<b>(A) -(B)</b>	<b>3,159.00</b>	<b>9,449.67</b>
<b>25 Employee benefits expense:</b>		
Salaries, Wages, Bonus and Gratuity	17,375.57	16,928.17
Employees' Welfare Expenses	1,023.37	475.08
<b>Total</b>	<b>18,398.93</b>	<b>17,403.25</b>
<b>26 Finance costs:</b>		
Bank Interest	4,401.20	4,858.47
Bank Charges-Processing Fees	1,073.36	610.06
Other Interest	1,148.05	1,341.59
<b>Total</b>	<b>6,622.61</b>	<b>6,810.12</b>
<b>27 Depreciation and amortization expense</b>		
Depreciation (As per Note 13)	9,098.82	7,162.22
Amortisation of Deferred Revenue Expenses	12.00	12.00
<b>Total</b>	<b>9,110.82</b>	<b>7,174.22</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in thousand	₹ in thousand
<b>28 Operating Expenses</b>		
Stores and Spare Consumed	4,160.66	3,190.63
Power and Fuel	15,879.21	13,256.84
Factory Rent	4,200.00	3,000.00
Labour & Transport	15,583.37	12,758.88
Repairs & Maintenance	7,694.14	6,587.11
Packing Material	7,633.27	6,760.54
<b>Total</b>	<b>55,150.65</b>	<b>45,554.00</b>
<b>29 Administrative, Selling and General expenses</b>		
Export Clearing ,Freight & Forwarding	7,309.59	8,017.99
Professional & Legal Charges	5,733.43	4,335.98
Prior Period Expenses	60.00	26.79
Travelling Expenses	5,595.61	4,682.31
Insurance Charges	2,987.21	2,482.91
Rent ,Rates & Electricity	2,688.15	2,484.79
Donation	490.25	623.00
Exchange Gain /Loss	2,839.92	(209.14)
Commission	3,530.41	1,995.67
Miscellaneous/ Office Expenses	13,116.27	10,107.90
Loss on Unauthorised Delivery (Refer Note no 34)	-	1,738.66
<b>Total</b>	<b>44,350.83</b>	<b>36,286.85</b>
<b>30 Earnings per share:</b>		
The Numerators and denominators used to calculate Earnings per Share:		
Nominal Value of Equity Share (Rs.)	₹ 10/-	10/-
Net Profit available for equity shareholders(Rs.In lacs) = (A)	₹ 9117.92	7,245.55
Weighted Average number of shares outstanding during the year - (B)	Nos. 54,74,500	54,74,500
<b>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</b>	₹ <b>1.67</b>	<b>1.32</b>
<b>31 Contingent liabilities and Commitments:</b>		
<b>(i) Contingent Liabilities</b>		
(a) Income tax matters not acknowledged as debt	370.81	370.81
(b) Dues Raised by M.S.E.B which is protested by Company.	250.00	250.00
(c) Sales Tax demands disputed by the Company relating to forms etc.	105.12	105.12
<b>Total</b>	<b>725.93</b>	<b>725.93</b>
<b>(ii) Commitment</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	<b>500</b>	<b>1000.00</b>



## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016

	31 <sup>st</sup> March, 2016 ₹ in thousand	31 <sup>st</sup> March, 2015 ₹ in thousand
<b>32 Payments to Auditors for the year</b>		
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	456.60	331.46
(b) For Tax Audit	209.80	157.30
(c) Certification and Other matters	281.22	156.74
(d) Taxation Matters	160.02	109.00
<b>Total</b>	<b>1,107.64</b>	<b>754.50</b>

- 33** The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.
- 34** During the previous year there was an unauthorised delivery taken of an export consignment amounting to Rs. 2876('000), However, compensation of Rs. 1137 ('000) was received from Logistic service provider which resulted in loss amounting to Rs.1738.66('000).
- 35** Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realisation of the same may significantly differ.
- 36** The Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd(PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.
- 37** Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 38** Some assets of which the company is beneficial owner are pending for transfer in the name of the company.
- 39** No provision has been made in the accounts for diminution in the value of quoted & unquoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.
- 40** Bonus is accounted on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.
- 41** In the opinion of the Board of Directors to the best of Knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.
- 42** Unpaid Dividend accounts are subject to reconciliation.
- 43** The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.
- 44** The outstanding forward exchange contract as on 31/03/2016 entered into by the company was for USD 300.00 ('000) equivalent to Rs. 20370.00 ('000) (Prev. year USD 687.60 ('000) equivalent to Rs.43326.26 ('000) ).
- 45** The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard – As 17 on Segment Reporting.
- 46** As stipulated in Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016

### 47 Related Party Disclosures

As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

#### I List of Related Parties

##### a) Key Management Personnel (KMP)

Mr. V. P. Shah  
 Dr. S. N. Sahai  
 Mr. R L Rathod  
 Mr. Jagdeep Mehta  
 Ms. Trupti Shah

##### b) Relatives of KMP

Ms. Jaya P. Shah  
 V. P. Shah HUF  
 Ms. Mita V Shah  
 Mr. Mihir V Shah

##### c) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)

Jayshree Chemicals  
 Ganesh Tiles & Marble Industries  
 Amar Trading Corporation  
 VIP Chem Pvt Ltd.  
 Standardcon Pvt.Ltd.

#### II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2016

(₹ in '000)

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2015-2016	-	10,025.51	25,423.61
	2014-2015	-	174.00	10,104.79
Sale/Services/Interest	2015-2016	-	-	10,156.98
	2014-2015	-	-	10,139.56
Investment In Preference Shares	2015-2016	-	-	-
	2014-2015	-	-	-
Advance /Loan Given (net)/(Received)	2015-2016	(200.00)	-	7,434.93
	2014-2015	200.00	-	11,125.68
Mangerial Remuneration /Salary	2015-2016	4,560.00	430.00	-
	2014-2015	4,330.00	370.00	-
Balance Receivable/(Payable)	3/31/2016	(107.18)	20,420.06	33,001.12
	3/31/2015	(398.32)	20,364.52	41,714.82

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2016**

	<b>31<sup>st</sup> March, 2016</b>		<b>31<sup>st</sup> March, 2015</b>	
	<b>₹ in thousand</b>		<b>₹ in thousand</b>	
<b>48 Imported and Indigenous Raw material Consumed</b>		<b>%</b>		<b>%</b>
Imported	27,359.69	<b>16</b>	25,913.55	<b>15</b>
Indigenous	1,44,415.56	<b>84</b>	1,29,553.04	<b>85</b>
	<b>1,71,775.25</b>	<b>100</b>	<b>1,55,466.59</b>	<b>100</b>
<b>49 Earning in Foreign Exchange</b>				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates & Others	4,38,235.35		469,139.54	
	<b>4,38,235.35</b>		<b>4,69,139.54</b>	
<b>50 Particulars of expenditure in Foreign Currency :</b>				
Particulars				
Commission	3,455.34		1,716.25	
Traveling Expenses	2,367.11		1,930.37	
Other Expenses	3,024.45		542.39	
	<b>8,846.90</b>		<b>4,189.01</b>	
<b>51 C.I.F. Value of imports</b>				
Raw Material & Finished Goods	22,525.61		40,713.66	
	<b>22,525.61</b>		<b>40,713.66</b>	

**52** Additional Information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

(₹ in thousand)

Name of the Entity in the	Net Assets i.e., total Assets minus total liabilities		Share of profit or loss (before minority interest)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent : Vipul Dychem Limited	99.54%	128,297.13	100.62%	9,312.41
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	0.46%	594.75	-0.62%	(57.51)
<b>Total</b>	<b>100.00%</b>	<b>1,28,891.88</b>	<b>100.00%</b>	<b>9,254.91</b>

**53** Previous year figures are regrouped / re classified wherever necessary to correspond with current year classification / disclosure.

**In terms of our report attached.**

**For J. A. Rajani & Co.**  
 Chartered Accountants  
 Firm Registration No.108331W

**For and on behalf of the Board of Directors**  
**Vipul Dychem Limited**

**P. J. Rajani**  
 Proprietor  
 Membership No.116740

**Pravinchandra B. Shah** **Vipul P. Shah**  
 Chairman Managing Director

**Dr. S. N. Sahai** **Mitali K. Shah**  
 Chief Financial Officer Company Secretary

**Place :** Mumbai  
**Dated :** 30th May, 2016





**VIPUL ORGANICS LIMITED**  
(Formerly known as Vipul Dyechem Limited)

CIN: L24110MH1972PLC015857

Registered Office: 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai -400053  
Email id: info@vipuldyes.com, Telephone no. 022-66139999, Fax no. 022- 66139977/75

**ATTENDANCE SLIP**

**ANNUAL GENERAL MEETING ON FRIDAY, 26<sup>TH</sup> AUGUST, 2016**

Registered Folio No.	
DP Id	
Client Id	
No. of Share (s) held	
Name and Address of Shareholder / Proxy:	

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company at The International By Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400093, on Friday, the 26<sup>th</sup> August, 2016 at 3.30 p.m.

\_\_\_\_\_  
Signature of Shareholder/Proxy

**Note:**

1. Please fill in the Folio/DP ID No., name and sign this Attendance Slip and hand it over and at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**
2. Please read the instructions for e-voting given along with Annual Report. The Voting period starts from Tuesday, 23<sup>rd</sup> August, 2016 (9.00 a.m.) and ends on Thursday, 25<sup>th</sup> August, 2016 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.
3. Interested Joint Members may obtain attendance slips from the Registered Office of the Company.

**PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.**



**VIPUL ORGANICS LIMITED**  
(Formerly known as Vipul Dyechem Limited)

CIN: L24110MH1972PLC015857

Registered Office: 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai -400053  
Email id: info@vipuldyes.com, Telephone no. 022-66139999, Fax no. 022- 66139977/75

**MGT-11 - PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014)

CIN : L24110MH1972PLC015857  
Name of the Company : VIPUL ORGANICS LIMITED (Formerly known as Vipul Dyechem Limited)  
Registered Office : 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai - 400053

Name of the Member(s)			
Registered address			
E-mail Id			
Folio No./Client Id		DP ID:	

I / We, being the Member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name: .....  
Address: .....  
Email id: .....  
Signature: ..... or failing him/her;
2. Name: .....  
Address: .....  
Email id: .....  
Signature: ..... or failing him/her;
3. Name: .....  
Address: .....  
Email id: .....  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, the 26<sup>th</sup> August, 2016 at 3.30 P.M. at The International By Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
	<b>Ordinary Business:</b>			
1	Ordinary Resolution for adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2016 together with Reports of the Board of Directors and of the Auditors' thereon.			
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended on 31 <sup>st</sup> March, 2016.			
3	Ordinary Resolution for appointment of a director in place of Mr. Pravinchandra B. Shah, Chairman (DIN: 00181714), who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ordinary Resolution for re-appointment of M/s. J. A. Rajani & Co. Chartered Accountants, Mumbai (having FRN:108331W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.			
	<b>Special Business:</b>			
5	Special Resolution for re-appointment of Dr. Shiv Nath Sahai as Whole Time Director.			
6	Special Resolution for appointment of Dr. Shiv Nath Sahai as Whole Time Director.			
7	Special Resolution for re-appointment of Mr. Vipul P. Shah as Managing Director of the Company for a further period of 3 years w.e.f 15 <sup>th</sup> June, 2016 till 14 <sup>th</sup> June, 2019			
8	Special Resolution under section 188 of the Companies Act, 2013 for approving Related Party Transactions.			

Signed this..... day of.....2016

Signature of Shareholder.....

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.

**FOR KIND ATTENTION OF SHAREHOLDERS**

**Dear Shareholder(s),**

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

<b>Folio No.</b>	
<b>Name of the Shareholder</b>	
<b>Father's/Mother's/Spouse's Name</b>	
<b>Address (Registered Office Addressing case the Member is a Body Corporate)</b>	
<b>E-mail Id</b>	
<b>PAN or CIN</b>	
<b>UIN (AadharNumber)</b>	
<b>Occupation</b>	
<b>Residential Status</b>	
<b>Nationality</b>	
<b>In case member is a minor, name of the guardian</b>	
<b>Date of birth of the Member</b>	

**Note: Members holding shares in DEMAT mode may furnish these details to their respective DPs.**

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **"BIGSHARE SERVICES PVT. LTD., E-2/3, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA, ANDHERI (EAST), MUMBAI 400072."**

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking You,

**For VIPUL ORGANICS LIMITED**  
**(formerly known as Vipul Dychem Limited)**

**Vipul P. Shah**  
**Managing Director**



## Route Map







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Vipul Organics Ltd., 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai - 400 058, India.

☎ +91 22 6613 9999

☎ +91 22 6613 9977 / 75

✉ [info@vipuldyes.com](mailto:info@vipuldyes.com)

🌐 [www.vipuldyes.com](http://www.vipuldyes.com)

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PALGHAR | AMBERNATH | AHMEDNAGAR | NAVI MUMBAI | TARAPUR