

To,
The Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai - 400001.

October 06, 2017

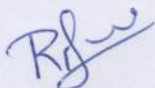
Ref : Security Code No.: 530627
Subject : Submission of Annual Report of the Company for the financial year 2016-17

Respected Madam/Sir,

Pursuant to the provisions of Regulations 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2016-17, duly approved and adopted by the members of the Company at the 45th Annual General Meeting held on Friday, September 29, 2017.

Kindly take the same on your record.

For **Vipul Organics Limited**



Rishika Puri
Company Secretary & Compliance Officer
Membership No.: A49818



CC: The Secretary
Ahmedabad Stock Exchange
Kamdhenu Complex,
Opp. Sahajanand College,
Panjara Pole,
Ahmedabad - 380015

Encl: As stated above



VIPULORGANICS

Interconnected Chemistry

**SURGING AHEAD TOWARDS
THE PATH OF SUCCESS**
■ **ANNUAL REPORT 2016-17** ■



BOARD OF DIRECTORS

- Mr. Pravinchandra B. Shah - Chairman and Non-Executive Director
- Mr. Vipul P. Shah - Managing Director
- Dr. Shiv Nath Sahai - Whole-Time Director and CFO
- Mr. Jagdeep Y. Mehta - Independent Director
- Mr. Prasannakumar B. Gawde - Independent Director
- Mrs. Trupti H. Shah - Independent Director

SECRETARIAL AUDITORS

M/s. M Baldeva Associates
Company Secretaries, Thane

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@vipulorganics.com
Website: www.vipulorganics.com
CIN: L24110MH1972PLC015857

PLANT'S LOCATION

Plot No. 11, Survey No. 35
Diwan and 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 AND
COMPLIANCE OFFICER**

Ms. Mitali K. Shah (upto 22nd May, 2017)
Ms. Rishika Puri (w.e.f. 22nd May, 2017)

AUDITORS

M/s. J. A. Rajani and 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.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments (Next To Keys Hotel),
Marol Maroshi Road, Andheri East,
Mumbai - 400059*
Tel. No.: 022-62638200 Fax No.: 022-62638299
Email ID: investor@bigshareonline.com
Website: www.bigshareonline.com

*w.e.f. 27th June, 2017

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NOTICE

Notice is hereby given that the 45th Annual General Meeting of the members of **VIPUL ORGANICS LIMITED** (formerly known as Vipul Dychem Limited) will be held on Friday, 29th September, 2017 at 3.30 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri West, Mumbai - 400058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the report of Auditors thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS**:
 - (a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."
 - (b) **"RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Auditors Report thereon be and are hereby received, considered and adopted."
2. To declare dividend on Equity Shares for the financial year ended on 31st March, 2017 and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, dividend @ 8% (Re. 0.80 per share) on the 64,64,500 Equity shares of Rs. 10/- each of the Company for the financial year ended 31st March, 2017, be and is hereby declared out of the current profits of the Company and that the same be paid to those shareholders whose names appear on the Company's Register of Members as on 29th September, 2017 and that the dividend warrants be posted or direct credit through NECS be given within 30 days hereof only to those shareholders who are entitled to receive the payment."
3. To appoint a Director in place of Dr. Shiv Nath Sahai, Director (DIN: 00332652), who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Dr. Shiv Nath Sahai (DIN: 00332652), Director of the Company, who retires by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."
4. To appoint M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai (Firm Registration No.: 105487W), as the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 139(2) and 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai (Firm Registration No.: 105487W) be and are hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. J. A. Rajani & Co., Chartered Accountants, to hold office for a period of 5 (five) consecutive years from the conclusion of this 45th Annual General Meeting until the conclusion of the 50th Annual General Meeting of the Company to be held for the year ending 31st March, 2022, subject to ratification of the members of the Company every year, at such remuneration and out-of-pocket expenses as may be mutually agreed to, between the Board of Directors and the Auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit, 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(s) 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 Dr. Shiv Nath Sahai (DIN: 00332652), as Whole-Time Director (designated as Whole-Time Director and CFO) of the Company for a period of one year w.e.f. 1st October, 2017 to 30th September, 2018 be and is hereby approved on the following terms and conditions:

 1. Remuneration payable:
 - a. Salary: Rs. 65,000/- (Rupees Sixty Five Thousand only) per month;
 - b. Perquisites: The Whole-Time Director will be entitled to 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 the 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 to give effect to the above resolution."

6. To consider and if thought fit, pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 197 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 any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the revision in remuneration payable to Dr. Shiv Nath Sahai (DIN:00332652), Whole-Time Director and Chief Financial Officer of the Company w.e.f. 1st July, 2017 for the remaining period of his tenure, be and is hereby approved as follows:

1. Remuneration payable:
 - a. Salary: Rs. 65,000/- (Rupees Sixty Five Thousand only) per month;
 - b. Perquisites: The Whole-Time Director will be entitled to 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 the 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 to give effect to the above resolution."

7. To consider and if thought fit, pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 197 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 any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the revision in remuneration payable to Mr. Vipul P. Shah, (DIN: 00181636) Managing Director of the Company w.e.f. 1st July, 2017 for the remaining period of his tenure be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms on recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force, as follows:

1. Remuneration payable:
 - (a) Salary: Rs. 4,40,000/- (Rupees Four Lakh Forty Thousand 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:

 - a) Company based accommodation or house rent allowance;
 - b) Education allowance;
 - c) Chauffeur driven Company car;
 - d) Reimbursement of medical benefit incurred for self and family;
 - e) Leave travel allowance;
 - f) Company's contribution to Keyman's Insurance Policy, Provident Fund;
 - g) 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 the 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 from time to time in this regard."

8. To consider and if thought fit, pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the "Approvals") as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company's bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up share capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed and outstanding at any one time shall not exceed the sum of Rs. 50 Crores (Rupees Fifty Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things as may be deemed necessary to give effect to this resolution."

9. To consider and if thought fit, pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company, both present and future for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/ mortgaged, shall not exceed the limits as approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By Order of the Board of Directors

Place: Mumbai
Date: 5th August, 2017

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

Rishika Puri
Company Secretary and Compliance Officer

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** 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 a proxy and such person shall not act as a proxy for any other person or member.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to special business to be transacted at the meeting is annexed hereto.
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting (including e-voting).
4. Members/Proxies/Authorized Representatives are requested to bring to the Meeting the necessary details of their shareholding, Annual Report and duly filled attendance slip(s) enclosed herewith.
5. Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easy identification of attendance at the meeting.
6. 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.
7. Relevant documents referred to in the Notice and Explanatory Statement are open for inspection by the members at the registered office of the Company on all working days i.e. all days except Saturdays and public holidays during business hours up to the date of the Annual General Meeting. The aforesaid documents will also be available for inspection by the members at the Annual General Meeting.
8. The Register of Directors' and Key Managerial Personnels' 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.
9. The Register of Members and Share Transfer Books will remain closed from Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive) for determining the name of the members eligible for dividend on Equity Shares, if approved by the members at the ensuing Annual General Meeting.
10. The dividend as recommended by the Board of Directors for the year ended 31st March, 2017, if approved by the members at the ensuing Annual General Meeting, will be paid/dispached between 9th October, 2017 to 11th October, 2017 to those members whose names appear in the Register of Members as on Friday, 29th August, 2017; and in respect of shares held by them in dematerialized 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.
11. Members whose shareholding is in electronic mode are requested to direct change of address notifications and bank account details to their respective Depository Participant (DP). Members holding shares in physical mode are requested to advise any change in their address or bank account details to the Company or Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd.
12. Members are requested to address all correspondences, including on dividends, to the Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., Unit: Vipul Organics Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai 400059.
13. 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 mode are, therefore, requested to submit the PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical mode may submit their PAN details to the Company or Registrar and Share Transfer Agents Bigshare Services Pvt. Ltd.
14. Brief resume of Director 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 and Secretarial Standard – 2 on "General Meetings" is annexed to the Notice.

15. 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, Bigshare Services Pvt. Ltd. for consolidation of all such shareholdings into one folio to facilitate better services.
16. Members seeking any information with regards to the Accounts and operations of the Company are requested to write to the Company at least seven days in advance of the Meeting so that the answers can be made available at the Meeting.
17. The Annual Report for the financial year 2016-17, the Notice for the 45th Annual General Meeting and instructions for e-voting, along with attendance slip and proxy form are being sent by electronic mode to those members whose e-mail addresses are registered with the Company/DP, unless any member has requested for a physical copy. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
18. To support the 'Green Initiative', members who have not registered their e-mail address so far are requested to register the same for receiving all communication including Annual Report, Circulars etc. from the Company electronically.
19. Members may also note that the Notice for the 45th Annual General Meeting and the Annual Report for the financial year 2016-17 will be available on the Company's website, <http://vipulorganics.com/>.
20. The Company has transferred the unpaid or unclaimed dividend declared upto the financial year 2008-2009 from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividend in respect of the financial year ended on 31st March, 2010 is due for transfer to the IEPF in the month of November, 2017. The shareholders whose dividend remained unclaimed for the financial year 2009-10 and for subsequent financial years are requested to claim it immediately from the Company. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 26th August, 2016 (date of the previous Annual General Meeting) under "Investor Relations" section on the website of the Company. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in and on the website of IEPF viz. www.iepf.gov.in.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.

21. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
22. Information and other instructions relating to the e-voting:
 - a. In compliance with 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 pleased to provide members the facility to exercise their right to vote on resolutions proposed to be passed at the 45th Annual General Meeting through the electronic voting (remote e-voting).
 - b. The Company has engaged the service of Central Depository Services (India) Limited (CDSL).
 - c. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
 - d. Members who have cast their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.
 - e. The remote e-voting period begins on Tuesday, 26th September, 2017 at 09.00 a.m. and ends on Thursday, 28th September, 2017 at 05.00 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. Friday, 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - f. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - g. The voting rights of shareholders shall be in proportion to their share in the paid up Equity Share Capital of the Company as on the cut-off date i.e. Friday, 22nd September, 2017.

- h. A person, whose name is recorded in the Register of Members maintained by the RTA or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Friday, 22nd September, 2017 only shall be entitled to avail the facility of remote e-voting and voting at the Meeting through ballot papers.
- i. The Board 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 ballot process/e-voting in a fair and transparent manner.
- j. Any person who acquires shares and becomes member of the Company after dispatch of the Notice of the Meeting and holding shares as on cut-off date i.e. Friday, 22nd September, 2017 may obtain User ID and password by sending request at helpdesk.evoting@cdslindia.com. However, if the 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 forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or contact CDSL at toll free no.:1800-200-5533.
- k. The Scrutinizer, after scrutinizing the votes cast at the Meeting through ballot and remote e-voting will, not later than 48 hours of conclusion of the Meeting, make consolidated Scrutinizer's report and submit to the Chairman. The result declared along with consolidated Scrutinizer's report shall be placed on the website of the Company i.e. www.vipulorganics.com and on the website of the CDSL <https://www.evotingindia.com/>. The results shall simultaneously be communicated to the stock exchanges.
- l. Subject to receipt of requisite number of votes in favour, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Friday, 29th September, 2017.

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on Shareholders / Members
- (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 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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 (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. 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. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (D.O.B.)	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. <ul style="list-style-type: none"> 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 (vi).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xvii) 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 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.
- 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 mailed to 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xviii) In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (b) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

ADDITIONAL INFORMATION OF DIRECTOR BEING PROPOSED FOR RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON "GENERAL MEETING" IS GIVEN BELOW:

Name of the Director	Dr. Shiv Nath Sahai
Director Identification Number	00332652
Date of Birth	8 th August, 1945
Date of Appointment	1 st October, 2016
Brief resume of the director	Dr. Shiv Nath Sahai is the Whole-Time Director and Chief Financial Officer of the Company.
Nature of his expertise in specific functional areas	Dr. Shiv Nath Sahai is a Ph.D. in Technology process and having more than 36 years of experience in marketing and Techno commercial areas. He is also Chief Financial Officer of the Company. He is associated with the Company for more than 2 decades.
Name of listed entities in which the person also holds directorship and membership of Committees of the Board	Nil
No. of equity shares held in the Company	Nil
No. of Board Meetings attended during the year	3
Terms and Conditions of re-appointment	One year w.e.f. 1 st October, 2017
Remuneration to be paid (if applicable)	Rs. 65,000/- per month
Disclosure of relationship between directors inter-se	Not related

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 5 and 6

Dr. Shiv Nath Sahai, Whole-Time Director of the Company is associated with the Company for more than two decades.

The current tenure of Dr. Shiv Nath Sahai as Whole-Time Director of the Company expires on 30th September, 2017. Considering his long association with the Company and vast experience in the field and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board of Directors of the Company 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. 1st October, 2017 to 30th September, 2018 on the terms and conditions as explained in resolution as set out at item no. 5 of this notice, subject to the approval of the members of the Company.

The Board of Directors of the Company also approved the revision in remuneration payable to him w.e.f. 1st July, 2017 for remaining period of his current tenure as explained in resolution as set out at item no. 6 of the notice, subject to the approval of the members of the Company.

Dr. Shiv Nath Sahai being of more than 70 years of age, Special Resolution for this re-appointment is required.

Accordingly, the Board of Directors recommends the special resolutions set out at item nos. 5 and 6 of the notice for approval of members.

Except Dr. S. N. Sahai, 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 a Chemical Engineer and has around 29 years of experience in chemical dye stuff and pharmaceuticals industry. He holds 8,26,100 Equity shares in the Company.

Considering his knowledge, experience and contribution made in the growth of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board of Directors of the Company revised the remuneration payable to him w.e.f. 1st July, 2017 for the remaining period of his tenure as specified in the resolution set out at item no. 6 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:

I General Information		
(1)	Nature of industry	The Company is engaged in the business of manufacturing of Dye intermediates.
(2)	Date or expected date of commencement of commercial production	The Company is an existing company and is in operations 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. 2.71/- Return on net worth: 8.48%
(5)	Foreign investments or collaborators, if any	Nil
II Information about the Directors		
A. Mr. Vipul P. Shah		
(1)	Background details	Mr. Vipul P. Shah, aged 51 years, is a Chemical Engineer, has around 29 years of experience in chemical dye stuff and pharmaceutical industry. He is associated with the Company since 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. 4,00,000/- 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 th 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. 4,40,000/- 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 and holding shares in the Company, Mr. Vipul P. Shah does not have any other direct or indirect pecuniary relationship with the Company. He is the son of Mr. Pravinchandra B. Shah, Chairman of the Company.
B. Dr. Shiv Nath Sahai		
(1)	Background details	Dr. Shiv Nath Sahai, aged 72 years, is Ph.D. in Technology process and has more than 35 years of experience in marketing and Techno commercial areas.
(2)	Past Remuneration	Rs. 65,000/- 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. 65,000/- 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 and CFO, Dr. Shiv Nath 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.
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III. Other information			
	(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 Nos. 8 and 9

In order to meet the future requirements of funds, which may arise on account of the Plans /programs/business, the Company may require further loans/borrowings from time to time from financial institutions, banks and other entities. Further, to secure such borrowings, the Company may be required to create charge/mortgage/ hypothecation on all or any of its movable and immovable assets, both present and future as and when required from time to time.

In terms of the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure the money (ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence, it is proposed to take your approval for a limit up to Rs. 50 Crores.

The Board recommends the Special Resolutions as set out at item nos. 8 and 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and relatives of Directors/ Key Managerial Personnel is concerned or interested in the said resolutions.

By Order of the Board of Directors

Place: Mumbai
Date: 5th August, 2017

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

Rishika Puri
Company Secretary and Compliance Officer

DIRECTORS' REPORT

To the Members,

Vipul Organics Limited

(Formerly known as Vipul Dyechem Limited)

Your Directors are pleased to present herewith 45th Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		Current Year ended 31 st March, 2017	Previous Year ended 31 st March, 2016	Current Year ended 31 st March, 2017	Previous Year ended 31 st March, 2016
1.	Total Revenue	5718.26	5249.40	5733.51	5262.05
2.	Less: Expenditure except Finance Cost and Depreciation and Tax	5357.94	4965.82	5366.79	4967.02
3.	Profit before Finance Cost, Depreciation and Tax	360.32	283.58	366.72	295.03
	Less: Finance Cost	61.20	66.21	61.34	66.23
	Less: Depreciation and Amortization	75.52	87.08	78.80	91.11
4.	Profit Before Tax	223.60	130.29	226.58	137.69
	Less: Provision for Tax	78.09	40.85	77.86	45.15
5.	Profit After Tax	145.51	89.44	148.72	92.54
6.	Balance brought forward from previous year	330.97	292.46	306.63	266.55
7.	Profit available for appropriation	476.48	381.89	455.35	359.09
8.	Tax Adjustments	(11.58)	1.39	(11.58)	1.22
9.	Proposed Dividend	50.11	43.80	50.11	43.80
10.	Tax on Dividend	10.20	8.52	10.20	8.51
11.	Minority Interest	-	-	(0.21)	(1.37)
12.	Surplus carried to Balance Sheet	404.59	330.97	383.67	306.63

2. RESULTS OF OPERATIONS

During the year under review, the Company has registered a sale of Rs. 5718.26 Lakhs (previous year Rs. 5249.40 Lakhs) and Net Profit after Tax of Rs. 145.51 Lakhs (previous year Rs. 89.44 Lakhs).

The Company has earned consolidated revenue of Rs. 5733.50 Lakhs (previous year Rs. 5257.49 Lakhs) and consolidated Net Profit After Tax of Rs. 148.71 Lakhs (previous year Rs. 70.21 Lakhs), during the year under review.

The Company has also acquired an additional industrial land of 5000 sq meter, being Plot No. 93, just adjacent to the existing land of 5000 sq meter, being Plot No. 94 at Gujarat Industrial Development Corporation. With this total 10000 sq meter of land has been made available. The Company intends to setup a plant at this site to manufacture Dyes and Pigments intermediaries. Necessary approvals from Pollution Control Board shall be obtained for the same.

3. CHANGE OF NAME OF THE COMPANY

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

4. SHARE CAPITAL

Pursuant to the shareholders' approval obtained at the Extra Ordinary General Meeting held on 13th June, 2016, the Company on 6th July, 2016, 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.

On 30th March, 2017, the Company issued and allotted 7,90,000 Equity Shares of Rs. 10/- each, fully paid-up, upon conversion of equal number of warrants issued on preferential basis at an Issue Price of Rs. 40/- per share (including premium of Rs. 30/- per share).

As on 31st March, 2017, the issued, subscribed and paid-up Equity Share capital of the Company stood at Rs. 6,26,45,000/- comprising of 62,64,500 Equity Shares of Rs. 10/- each.

5. AMALGAMATION

The Board of Directors of the your Company in its meeting held on 2nd May, 2017, on recommendation of the Audit Committee and subject to the necessary approval of the Shareholders, Creditors, Securities and Exchange Board of India, Stock Exchange, the National Company Law Tribunal and other competent authorities, considered and approved the Scheme of Amalgamation of Efferchem Private Limited (Transferor Company) with the Company. The appointed date is 1st April, 2017. The proposed amalgamation will result into the following benefits:

- (i) The consolidation of operations of both the companies by way of amalgamation would lead to a more efficient utilization of capital and will result in administrative and operational rationalization and promote organizational efficiencies;
- (ii) The amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholders value, and will improve the competitive position of the combined entity;
- (iii) The amalgamation would result in greater efficiency in cash management of the amalgamated entity and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximize shareholders value;
- (iv) For the purpose of better, efficient and economical management, control and running of the business of the undertaking concerned and/or administrative convenience and to obtain advantages of economies of scale and to pool the resources for growth and development of the businesses of the companies; and
- (v) With the amalgamation of two Companies, the Transferee Company would have the complete access on the Industrial Land, as well as readily available utilities, liasoning, etc. and this will help the Transferee Company to initiate expansion promptly without any gestation period.

6. DIVIDEND AND RESERVES

Your Directors have pleasure in recommending payment of dividend Re. 0.80 being 8% per share on Equity Share of Rs. 10/- for the year ended 31st March, 2017. This will absorb total cash outflow of Rs. 60.31 Lakhs (previous year Rs. 52.32 Lakhs) including Corporate Dividend Distribution Tax of Rs. 10.20 Lakhs (previous year Rs. 8.52 Lakhs). During the year, the Company has not transferred any amount to the General Reserve.

7. PUBLIC DEPOSITS

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

8. EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is appended to this Report as **Annexure I**.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Dr. Shiv Nath Sahai (DIN: 00332652), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

Dr. Shiv Nath Sahai (DIN: 00332652) has been re-appointed as Whole-Time Director of the Company (designated as Whole-Time Director and CFO) for a further period of one year w.e.f. 1st October, 2017 to 30th September, 2018, subject to the approval of shareholders and your board recommends his re-appointment.

There was no cessation from the Board of the Company during the period under review.

Ms. Mitali Shah, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. 22nd May, 2017.

The Board of Directors, in its meeting held on 22nd May, 2017 has appointed Ms. Rishika Puri (Membership No. A49818) as the Company Secretary and Compliance Officer of the Company with effect from that date.

10. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. ANNUAL PERFORMANCE EVALUATION BY THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the

evaluation of the working of its Audit and Nomination and Remuneration Committee. The Board has devised questionnaire to evaluate the performances of each of executive and non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board has from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance at Board Meetings and Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

The details of the programs for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://vipulorganics.com/policies.htm>.

During the year under review, a separate meeting of the Independent Directors of the Company was held on 10th February, 2017 for evaluation of performance of non-independent Directors, the Board as a whole and the Chairman.

12. 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. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which is confirmed in the subsequent Board meeting.

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 9 times during year as per details given in the Report on Corporate Governance which forms a part of this Annual Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

13. 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 and vigil mechanism.

As on 31st March, 2017, the Audit Committee comprised of Mr. Prasannakumar B. Gawde, Mr. Jagdeep 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.

Other details with respect to Audit Committee are given in Corporate Governance Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed, except AS -15, 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 on 31st March, 2017 and of the profit of the Company for the year under review;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds 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.

15. POLICY ON CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection, appointment and determination of remuneration of Directors, Senior Management Personnel and other employees of the Company. The said policy is stated in the Report on Corporate Governance and can be accessed on the Company's website at <http://vipulorganics.com/policies.htm>.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, in the Company. The mechanism also provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in the exceptional cases. The said policy has been elaborated in the Report on Corporate Governance and can be accessed on the Company's website at <http://vipulorganics.com/policies.htm>.

We affirm that during the financial year 2016-17, no employee or Director was denied access to the Audit Committee.

17. 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 carried out to identify, evaluate, manage and monitor both business and non-business risks. The Board periodically reviews the risks and suggests the steps to be taken to control and mitigate the same through a properly defined framework.

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

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

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantee or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year 2016-17 are given under Notes to Accounts of financial statements.

20. 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 the future.

21. STATUTORY AUDITORS

M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai (having FRN: 108331W), the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting. The Company has proposed to appoint M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai (having FRN: 105487W), as Statutory Auditors of the Company in place of retiring auditors, for a period of 5 consecutive years i.e. from the conclusion of the ensuing 45th Annual General Meeting upto the conclusion of 50th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting.

The Company has received a letter from them to the effect that they are willing to act as Statutory Auditors of the Company and if appointed, their appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Auditors.

Your Directors recommend the appointment of M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing 45th Annual General Meeting upto the conclusion of 50th Annual General Meeting of the Company, subject to ratification by the members of the Company every year.

22. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the year 2016-17. The Secretarial Audit Report is appended as **Annexure – II** and forms part of this Annual Report.

23. 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 systems in the Company, its compliances with the operating systems, accounting procedure and polices at all locations of the Company and reports the same on quarterly basis to the Audit Committee.

24. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

The observations made by the Auditors in their Reports on the Audited Financial Statements are self explanatory and need not any further comments.

With respect to observations made by the Secretarial Auditors in their report, we would like to state that:

1. Delay in filing of some forms with Registrar of Companies (ROC) was inadvertent; and
2. Delay in delivery of share certificates received for transfer of shares was by oversight in one case.

25. 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 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.

26. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment issues 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.

27. SUBSIDIARY COMPANY

Shree Ambika Naturals Private Limited is a subsidiary of the Company. The Company does not have any Joint Venture and Associate Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of Shree Ambika Naturals Private Limited, in Form AOC 1, is annexed as **Annexure III**.

28. 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 forms part of this Annual Report.

29. 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 and attached to this Annual Report:

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

30. PARTICULARS OF REMUNERATION

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

31. CORPORATE SOCIAL RESPONSIBILITY

The provision of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are not applicable to the Company.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

33. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institutions, 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: 29th May, 2017

Pravinchandra B. Shah
Chairman

Annexures to Directors' Report

ANNEXURE I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return

(As on the financial year ended on March 31, 2017)

[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 Organics 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: companysecretaryvdcl@gmail.com Website: www.vipulorganics.com
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd, 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Tel.: +91-22-62638200, Fax: +91-22-62638299 Email: info@bigshareonline.com Website: www.bigshareonline.com

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	22.80
2.	Reactive Dyes	2411	14.08
3.	Pigment	2411	24.63

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
1	Shree Ambika Naturals Private Limited Address: 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai – 400053	U24200MH1988PTC049982	Subsidiary	56.04% of Equity shares and 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	
A. Promoters									
1. Indian									
a. Individual/ HUF	29,60,100	0	29,60,100	54.07	36,10,100	0	36,10,100	57.63	3.56
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
Sub-total(A) (1):-	29,60,100	0	29,60,100	54.07	36,10,100	0	36,10,100	57.63	3.56
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
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)=(A1+A2)	29,60,100	0	29,60,100	54.07	36,10,100	0	36,10,100	57.63	3.56
B. Public									
1. Institution									
a. Mutual Funds	0	22,700	22,700	0.41	0	22,700	22,700	0.36	(0.05)
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. FIIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i. Others	0	0	0	0	0	0	0	0	0
Sub- Total –B(1)	0	22,700	22,700	0.41	0	22,700	22,700	0.36	(0.05)
2. Non-Institutions									
a. Body Corporate	3,77,115	28,400	4,05,515	7.41	3,31,648	28,400	3,60,048	5.75	(1.66)
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 1 lakh	7,18,528	3,12,640	10,31,168	18.84	6,81,936	3,02,040	9,83,976	15.71	(3.13)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9,78,716	40,000	10,18,716	18.61	1218986	0	12,18,986	19.46	0.85
c. Others	0	0	0	0	0	0	0	0	0
i) Non Resident Indian(NRI)	5,100	27,400	32,500	0.59	7,695	27,400	35,095	0.56	(0.03)
ii) NRI Non Repatriation	1,850	0	1,850	0.03	2,603	0	2,603	0.04	0.01
iii) Clearing Member	1,951	0	1,951	0.04	30,992	0	30,992	0.49	0.46
Sub-total B (2)	20,83,260	4,08,440	24,91,700	45.52	22,73,860	3,57,840	26,31,700	42.01	(3.50)
Total Public Shareholding (B)= (B1+B2)	20,83,260	4,31,140	25,14,400	45.93	22,73,860	3,80,540	26,54,400	42.37	(3.56)
C. Shares held by Custodians for GDR's and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	50,43,360	4,31,140	54,74,500	100	5883960	3,80,540	62,64,500	100	0

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	17.15	0	10,60,600	16.93	0	(0.62)
2	Mr. Vipul Pravinchandra Shah	7,26,100	13.26	0	8,26,100	13.19	0	(0.07)
3	Vipul P. Shah (HUF)	2,50,000	4.57	0	2,50,000	3.99	0	(0.58)
4	Mr. Pravinchandra B. Shah	2,47,100	4.51	0	2,47,100	3.94	0	(0.57)
5	Mrs. Mita Vipul Shah	2,39,500	4.37	0	3,39,500	5.42	0	1.05
6	Mrs. Kavita P. Shah	50,750	0.93	0	50,750	0.81	0	(0.12)
7	Mr. Vatsal V. Shah	4,86,050	8.88	0	5,86,050	9.36	0	0.48
8	Mrs. Jaya P. Shah	0	0	0	2,50,000	3.99	0	3.99
	Total	29,60,100	54.07	0	36,10,100	57.63	0	3.56

iii) Change in Promoters' Shareholding:

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
1. Mr. Mihir Vipul Shah					
A	At the beginning of year	9,60,600	17.55	-	-
B	Changes during the year				
	Add: Allotment on 30.03.2017 upon conversion of warrants	1,00,000	1.59	10,60,600	16.93
C	At the end of year	-	-	10,60,600	16.93
2. Mr. Vipul Pravinchandra Shah					
A	At the beginning of year	7,26,100	13.26	-	-
B	Changes during the year				
	Add: Allotment on 30.03.2017 upon conversion of warrants	1,00,000	1.59	8,26,100	13.18
C	At the end of year	-	-	8,26,100	13.18
3. Vipul P. Shah (HUF)					
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	4.00
4. Mr. Pravinchandra Babubhai Shah					
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	3.94
5. Mrs. Mita Vipul Shah					
A	At the beginning of year	2,39,500	4.38	-	-
B	Changes during the year				
	Add: Allotment on 30.03.2017 upon conversion of warrants	1,00,000	1.59	3,39,500	5.42
C	At the end of year	-	-	3,39,500	5.42
6. Mrs. Kavita P. Shah					
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	0.81

7. Mr. Vatsal V. Shah				
A At the beginning of year	4,86,050	8.87	-	-
B Change during the year				
Add: Allotment on 30.03.2017 upon conversion of warrants	1,00,000	1.59	5,86,050	9.36
C At the end of year	-	-	5,86,050	9.36
8. Mrs. Jaya P. Shah				
A At the beginning of year	0			
B Change during the year				
Add: Allotment on 30.03.2017 upon conversion of warrants	2,50,000	3.99	2,50,000	3.99
C At the end of year	-	-	2,50,000	3.99

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. Dr. Ramesh Chimanlal Shah					
A. At the beginning of the year		0	0.00		
B. Changes during the year					
20.05.2016 - Purchase		20000	0.37	20000	0.37
17.06.2016 - Purchase		30000	0.55	50000	0.91
26.08.2016 - Purchase		100008	1.83	150008	2.74
30.09.2016 – Sale		(1613)	(0.03)	148395	2.71
07.10.2016 – Sale		(1000)	(0.02)	147395	2.69
14.10.2016 – Sale		(2395)	(0.04)	145000	2.65
11.11.2016 – Sale		(1974)	(0.04)	143026	2.61
10.02.2017 – Sale		(1026)	(0.02)	142000	2.59
17.02.2017 – Sale		(500)	(0.01)	141500	2.58
24.02.2017 – Sale		(1000)	(0.02)	140500	2.56
03.03.2017 – Sale		(1002)	(0.02)	139498	2.55
10.03.2017 – Sale		(107)	(0.00)	139391	2.55
17.03.2017 – Sale		(1114)	(0.02)	138277	2.53
C. At the end of the year				138277	2.21
2. Mr. Pranay Rajesh Shah					
A. At the beginning of the year		90000	1.64		
B. Changes during the year		No change during the year			
C. At the end of the year				90000	1.44
3. Skyhorizon Engineering Private Limited					
A. At the beginning of the year		99500	1.82		
B. Changes during the year					
13.05.2016 – Sale		(10000)	(0.18)	89500	1.63
20.05.2016 – Sale		(89500)	(1.63)	0	0.00
C. At the end of the year				0	0.00
4. Kshetra Engineering Private Limited					
A. At the beginning of the year		168976	3.09		
B. Changes during the year					
13.05.2016 – Sale		(81575)	(1.49)	87401	1.60
20.05.2016 – Sale		(87401)	(1.49)	0	0.00
C. At the end of the year				0	0.00
5. Mr. Yash Pradip Vasa					
A. At the beginning of the year		84650	1.55		
B. Changes during the year		No change during the year			
C. At the end of the year				84650	1.35

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
6.	Tecknopoint Mercantile Co Private Limited				
	A. At the beginning of the year	0	0.00		
	B. Changes during the year				
	31.03.2017 - Purchase	75200	1.20	75200	75200
	C. At the end of the year			75200	1.20
7.	Mr. Rajesh Chandrakant Shah				
	A. At the beginning of the year	75000	1.37		
	B. Changes during the year				
	08.04.2016 – Sale	(1500)	(0.03)	73500	1.34
	C. At the end of the year			73500	1.17
8.	Shalibhadra Jayantilal Varaiya (HUF)				
	A. At the beginning of the year	72000	1.32		
	B. Change during the year	No change during the year			
	C. At the end of the year			72000	1.15
9.	Mr. Aarti Bhupat Shah				
	A. At the beginning of the year	68220	1.25		
	B. Changes during the year	No change during the year			
	C. At the end of the year			68220	1.09
10.	Gedalia Multitrading Private Limited				
	A. At the beginning of the year	0	0.00		
	B. Changes during the year				
	26.08.2016 - Purchase	2979	0.05	2979	0.05
	02.09.2016 - Purchase	28354	0.52	31333	0.57
	09.09.2016 - Purchase	689	0.01	32022	0.58
	16.09.2016 – Sale	(15934)	(0.29)	16088	0.29
	23.09.2016 – Sale	(15915)	(0.29)	173	0.00
	30.09.2016 - Purchase	10910	0.20	11083	0.20
	07.10.2016 – Sale	(10578)	(0.19)	505	0.01
	14.10.2016 - Purchase	10864	0.20	11369	0.21
	21.10.2016 – Sale	(11367)	(0.21)	2	0.00
	28.10.2016 - Purchase	9751	0.18	9753	0.18
	04.11.2016 - Purchase	4173	0.08	13926	0.25
	11.11.2016 - Purchase	4555	0.08	18481	0.34
	18.11.2016 – Sale	(3397)	(0.06)	15084	0.28
	25.11.2016 - Purchase	13569	0.25	28653	0.52
	02.12.2016 - Purchase	1644	0.03	30297	0.55
	09.12.2016 - Purchase	2235	0.04	32532	0.59
	16.12.2016 – Sale	(4389)	(0.08)	28143	0.52
	23.12.2016 - Purchase	5820	1.06	33963	0.62
	30.12.2016 - Purchase	11548	0.21	45511	0.83
	06.01.2017 – Sale	(3017)	(0.06)	42494	0.78
	13.01.2017 - Purchase	1881	0.03	44375	0.81
	20.01.2017 - Sale	(20973)	(0.38)	23402	0.43
	27.01.2017 – Sale	(5820)	(0.11)	17582	0.32
	03.02.2017 - Purchase	30246	0.55	47828	0.87
	10.02.2017 - Purchase	14617	0.27	62445	1.14
	17.02.2017 – Sale	(25909)	(0.47)	36536	0.68
	24.02.2017 – Sale	(15671)	(0.29)	20865	0.38

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
	03.03.2017 – Sale	(5820)	(0.11)	15045	0.29
	10.03.2017 - Purchase	11142	0.20	26187	0.48
	17.03.2017 - Purchase	6786	0.12	32973	0.60
	24.03.2017 – Sale	(4073)	(0.07)	28900	0.53
	31.03.2017 - Purchase	31815	0.51	60715	1.11
	C. At the end of the year			89615	1.43
11.	Mr. Hiten Ramniklal Shah				
	A. At the beginning of the year	54138	0.99		
	B. Changes during the year	No change during the year			
	C. At the end of the year			54138	0.86
12.	Mr. Haribhai Bhikhabhai Patel				
	A. At the beginning of the year	43500	0.80		
	B. Changes during the year				
	22.07.2016 – Sale	(500)	0.01		
	29.07.2016 - Purchase	500	0.01		
	C. At the end of the year			43500	0.69

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 share	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Vipul Pravinchandra Shah				
A	At the beginning of the year	7,26,100	13.26		
B	Changes during the year				
	Add: Allotment on 30.03.2017 upon conversion of warrants	1,00,000	1.59	8,26,100	13.18
C	At the end of year			8,26,100	13.18
2.	Mr. Pravinchandra Babulal Shah				
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

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 01.04.2016				
1) Principal Amount	6,57,39,202.00	16,63,834.00	-	6,74,03,036.00
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	6,57,39,202.00	16,63,834.00	-	6,74,03,036.00
Change in Indebtedness during the financial year				
+ Addition	68,70,55,890.00		-	68,70,55,890.00
-Reduction	64,82,59,271.00	16,63,834.00	-	64,99,23,105
Net change	3,87,96,619.00	(16,63,834.00)	-	3,71,32,785.00
Indebtedness at the end of the financial year 31.03.2017				
1) Principal Amount	10,45,35,821.00		-	10,45,35,821.00
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	10,45,35,821.00	-	-	10,45,35,821.00

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/WTD/Manager		Total Amount (in Rs)
		Mr. Vipul Pravinchandra Shah	Dr. Shiv Nath Sahai	
		Managing Director	Whole-Time Director* and CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	46,12,500	6,60,000	52,72,500
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1,87,500	-	1,87,500
	(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)	48,00,000	6,60,000	54,60,000
	Ceiling as per the Act	Rs. 27,55,497/- (10% of Net Profit of the Company) or Rs. 168 Lakhs, whichever is higher		

* Whole-Time Director, part of the year

B. Remuneration of other directors:

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount (in Rs)
1	Independent Directors	Mr. Jagdeep Mehta	Mr. Prasannakumar B Gawde	Mrs. Trupti Shah	
	-Fee for attending board committee meetings	. 64,000	73,000	44,000	1,86,000
	- Commission	-	-	-	-
	-Others	-	-	-	-
	Total (1)	64,000	73,000	44,000	1,86,000
2	Other Non Executive Directors	Mr. Pravinchandra B. Shah			
	-Fee for attending board committee meetings	-			-
	- Commission	-			-
	-Others	-			-
	Total (2)	-			-
	Total (B)= (1+2)	-			1,86,000
	Total Managerial Remuneration	-			54,46,000
	Overall Ceiling as per the Act	Rs. 27,55,497/- (10% of Net Profit of the Company) or Rs. 168 Lakhs, whichever is higher			

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		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	3,84,170	3,84,170
	(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)	3,84,170	3,84,170

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2017

Pravinchandra B. Shah
Chairman

ANNEXURE II
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vipul Organics Limited** (formerly known as Vipul Dychem Limited) (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') generally 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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; **(Not applicable to the Company during the audit period)**;
- (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The 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.

- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its sector / industry.

I have also examined compliance with the applicable clause/regulations of the following:

- (i) Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into with stock exchanges, where shares of the Company are listed.

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:

1. *Delay in filling of some e-forms with the Registrar of Companies, Maharashtra, Mumbai;*
2. *Delay in delivery of share certificates within a period of 30 days received for transfer of shares in one case.*

I 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.

Adequate notices are 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I 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 and guidelines.

I further report that during the audit period:

- (a) In Extra Ordinary General Meeting dated 13th June, 2016 the Company has approved the following events:
 - i. Issue and allotment of 27,00,000 Warrants convertible into even number of Equity Shares of Rs. 10/- each of the Company at a price of Rs.40/- (including premium of Rs.30/-) each on Preferential basis;
 - ii. Increased its Authorized Share Capital from Rs. 7 Crores to Rs. 10 Crores;
 - iii. Alteration of Capital Clause of Memorandum of Association;
 - iv. Alteration in the Articles of Association;
 - v. Change name of the Company from Vipul Dyechem Limited to Vipul Organics Limited;
- (b) On 6th July, the Company has issued and allotted 22,50,000 Warrants for cash at an issue price of Rs. 40/- each (including premium of Rs. 30/-)on preferential basis to the promoters and others; and
- (c) On 30th March, 2017, the Company has issued and allotted 7,90,000 Equity Shares of Rs.10/- each upon conversion of 7,90,000 warrants on preferential basis.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor

M. No. FCS 6180 C. P. No. 11062

Place : Thane
Date: 29th May, 2017

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

‘Annexure I’

To,
The Members,
Vipul Organics Limited

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

1. Maintenance of secretarial records is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, I 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. My 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 **M Baldeva Associates**
Company Secretaries

Place : Thane
Date: 29th May, 2017

CS Manish Baldeva
Proprietor
M. No. FCS 6180 C. P. No. 11062

ANNEXURE III

Form AOC-1

(Pursuant to the 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. '000)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Shree Ambika Naturals Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
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	10455.000
5.	Reserves and surplus	(2595.854)
6.	Total assets	7001.120
7.	Total Liabilities	(858.030)
8.	Investments	0
9.	Turnover	1940.258
10.	Profit before taxation	(71.937)
11.	Provision for taxation	22.230
12.	Profit after taxation	(49.708)
13.	Proposed Dividend	0
14.	% of shareholding	56.04% of Equity Shares and 100% of 1.5% Non Cumulative Optionally Convertible Preference Shares

Notes: The following information shall be furnished at the end of the statement:

- 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

For and on behalf of the Board of Directors

Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Rishika Puri
Company Secretary

Place: Mumbai

Date: 29th May, 2017

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:-	
Sr. no.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Vipul P. Shah	18.32
2	Dr. Shiv Nath Sahai	2.48
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year	
Sr. no.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.
1	Mr. Vipul P. Shah	18.46
2	Dr. Shiv Nath Sahai	0.00
(iii)	The number of permanent employees on the rolls of the company	39
(iv)	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 16.21% and managerial personnel is 15.63%.

We hereby confirm that the remuneration is as per the remuneration policy recommended by the 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 employees drawing remuneration pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employees' Name	Designation	Educational Qualifications	Age (Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid (In Rs.)	Previous Employment and designation
Mr. Vipul P. Shah	Managing Director	BE. Chem.	51	29	21 st June, 1992	48,00,000	-
Dr. Shiv Nath Sahai	Whole-Time Director and CFO	Ph.D.	72	37	1 st April, 1983	6,60,000	Amar Dyechem as General Manager
Mrs. Mita Shah	President	B.Com.	49	8	1 st July, 2013	7,34,000	Ganesh Tiles and Marbles Industries as Executive
Mr. Mihir Shah	Vice President	MBA (Pharmaceutical)	24	1	4 th May, 2015	12,00,000	-
Mr. Amit Chavan	Manager – International Marketing	MBA (International Business)	39	18	16 th November, 2015	9,09,167	Navneet Education Ltd. as Senior Business Development Manager
Ms. Dipti Mehta	General Manager - Procurement	Graduate	55	36	10 th December, 2010	6,70,000	Jayshree Chemicals as Purchase Executive
Mr. Kakasaheb Pise	Technical Manager	B.Sc.	44	19	1 st January, 2016	11,50,000	Western India Dyestuff Corp, General Manager

Employees' Name	Designation	Educational Qualifications	Age (Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid (In Rs.)	Previous Employment and designation
Mr. K.S. Gavle	Production Manager	B.Sc.	66	43	9 th February, 1984	2,38,000	Onsar Chem Pvt. Ltd. as Manager
Mr. Rajesh Prajapati	Senior Production Chemist	B.Sc.	46	21	1 st June, 2014	7,62,000	Bajaj Organics as Lab Chemist
Mr. Sundeep Asaldekar	General Manager - Operations	Mechanical Engineering	45	27	7 th November, 2016	2,40,800	Dextra Group as Deputy General Manager

Notes:

- All appointments are permanent except for the Managing Director and the Whole-Time Director whose 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 the wife of Mr. Vipul P. Shah, Managing Director of the Company
 - Mr. Mihir Shah is the son 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: 29th May, 2017

ANNEXURE V**Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

A Conservation of energy		
	(i) The steps taken or impact on conservation of energy	<p>The Company is conscious about 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.</p> <p>a) Your Company took many initiatives to reduce the electricity consumption through productivity increase. Resources are being utilized to their optimum capacity thereby placing the least possible stress on the environment.</p> <p>b) Your Company has focused on productivity so that unit consumption per piece is reduced.</p>
	(ii) The steps taken by the Company for utilising alternative sources of energy	
	(iii) The capital investment on energy conservation equipments	
B Technology Absorption		
	(i) The efforts made towards technology absorption	<p>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.</p> <p>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.</p>
	(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	
	(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
	(iv) The expenditure incurred on Research and Development	
C Foreign Exchange Earnings and Outgo		
		2016-17 (Rs. in Lakh)
	(i) The foreign exchange outgo (actual outflows)	4583.73
	(ii) The foreign exchange earned (actual inflows)	647.39
		2015-16 (Rs. in Lakh)
		4382.35
		313.73

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Pigment demand rising:

Due to huge requirement of Automotive, Building and Construction industries worldwide, there is going to be a tremendous demand from the Paint and Coating Industry. This has consequently increased the consumption of Pigments throughout the Globe.

Projections have been made to forecast CAGR of 4-5% in terms of revenue and this will be a major boost for worldwide marketing of Pigments.

In addition to this, there is a huge requirement of Pigments in Plastic, Rubber and Printing and Ink Industries. Not only that, Cosmetics sector is also contributing to this.

Dyes-Industry:

Market demand for the Dye and Dye Intermediates is expected to grow at CAGR 5-6% to 140,000 tonnes p.a., contribution is reported as 60-70% from unorganized sector and remaining from the organized sector, but unorganized sector feeds the high cost of operations for meeting the Industry requirement of Pollution Controlled Parameters. ZLD (Zero Liquid Discharge) is the latest requirement of National Green Tribunal in sanctioning the Environmental Clearance.

Textile Industry is the biggest consumer of Dyestuffs and expected to grow 6 to 7% annually, whereas Leather and Ink Industry's forecast is 5 to 6% per annum. One of the main reasons for increase of Dyes production in India is due to stringent pollution controls which have been adopted by developed countries.

Business of the Company

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

FUTURE OUTLOOK AND OPPORTUNITIES

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

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 and Coatings and Textiles is expected to drive growth of Indian Colorant market:

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 and 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 and 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.

The Company is also increasing its presence on PAN India basis. Distributors and Dealers are appointed in key areas of Printing Inks and Paint Industries. The 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

Stringent regulations are enforced to minimize the adverse effect of emissions from Pigment on Health and environment, from which the Industry has to come out suitably.

We 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. Additionally, due to Internal and external competition, the margin of profits in the Dyes industries is rapidly being squeezed. The consequence is that there is low expenditure incurred for R&D.

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Management Team available especially for the Company's production activities is highly skilled and 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 consistently maintained the superior quality.

Systems of internal controls adopted by the management team are 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.

FINANCIALS AND OPERATIONAL PERFORMANCE

Aggressive growth and focus on export, R&D, Marketing alliances, upgradation of manufacturing facility, contact manufacturing have established new markets, new areas, environmental consciousness, cost reduction, etc. to achieve new global standards. Reactives and Dispersed Dyes have been most in demand due to Cotton and Polyester Dyeing/ Printing Industry. With GST implementation, Industry is going to be benefitted. This will provide the competitiveness of Indian goods and services in the International market and give boost to Indian exports. The uniformity in Tax rates and procedures across the country will also go a long way in reducing compliance cost.

HUMAN RESOURCE MANAGEMENT

The Company considers its committed and talented workforce as partners in growth and our most critical assets to drive sustainable performance and develop competitive advantage. Our employees have played a significant role and enabled the Company to deliver superior performance year after year. In line with its business imperatives, the emphasis has been given to recruit the best talent and nurture, motivate and empower them. As at 31st March, 2017, the Company had a strength of 39 permanent employees.

CAUTIONARY STATEMENT

Any statement made in this Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that 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

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is concerned with holding the balance between economic and social goals and between individual and societal goals. At Vipul Organics Limited, we believe that profitability must go hand in hand with a sense of responsibility towards the stakeholders.

The Company endeavors towards creating long-term value for all its stakeholders while focusing on the core principles of accountability, transparency, integrity, environment and regulatory compliances.

The Company confirms compliance with various provisions relating to Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which shall be further elaborated in this Report.

The Company firmly believes in maintaining high standards of quality and ethical conduct in its operations.

B. BOARD OF DIRECTORS:

1. Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board has six Directors. Out of these, two directors are Executive Directors out of which one is a Promoter, three are Non-Executive and Independent Directors and one is a Promoter, Non-Executive and Non-Independent Director.

The Chairman of the Board is a Non-Executive and 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 the Board of Directors.

2. Board Procedure:

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

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

3. Attendance at the Meetings:

During the year under review, the Board of Directors met nine (9) times on 17th May, 2016, 30th May, 2016, 6th July, 2016, 25th July, 2016, 10th August, 2016, 21st September, 2016, 14th November, 2016, 10th February, 2017 and 30th March, 2017. As stipulated, the gap between two meetings did not exceed 120 days.

Details of the composition and category of Directors, their attendance at each Board meeting held during the financial year 2016-17 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 26 th August, 2016	No. of directorship held in other public companies	Committee position in other Companies	
		Held	Attended			Chairman	Member
Mr. Pravinchandra B. Shah	Promoter, Chairman and Non-Executive	9	9	Present	1	-	-
Mr. Vipul P. Shah	Promoter and Managing Director	9	7	Present	1	-	-
Dr. Shiv Nath Sahai (Appointed w.e.f. 1 st October, 2016)	Whole-Time Director and CFO	3	3	Present	1	-	-
Mr. Jagdeep Y. Mehta	Independent Director	9	8	Present	-	-	-

Director	Category	No. of Board Meetings Attended		Attendance at last AGM held on 26 th August, 2016	No. of directorship held in other public companies	Committee position in other Companies	
		Held	Attended			Chairman	Member
Mr. Prasannakumar B. Gawde	Independent Director	9	8	Present	2	2	2
Mrs. Trupti H. Shah	Independent Director	9	7	Absent	-	-	-

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 Clause 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.
- Position in Audit Committee and Stakeholders' Relationship Committee is considered for the purpose.
- 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.
- No director is related to any other Director on the Board, except Mr. Pravinchandra B. Shah and Mr. Vipul P. Shah, who are father and son respectively.

4. Director's Familiarization Programme:

The Company undertakes and makes necessary provision for 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 help develop relationship of the Directors with the Company and familiarizes them with Company processes. The management provides such information and training either at the meeting of the 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 <http://vipulorganics.com/policies.htm>.

5. Separate Meeting of Independent Directors:

As stipulated in the Code for 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 10th February, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole and also the flow of information between the Board and the Management of the Company.

6. 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 next Meeting.

7. 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 31st March, 2017 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. The said code can be accessed on the website of the Company at <http://vipulorganics.com/policies.htm>.

C. COMMITTEES OF THE BOARD:

1. Audit Committee

The Committee's composition meets with the requirements of Regulations 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

All Members of the Committee are financially literate and have financial management expertise.

1.1. Terms of reference:

The terms of reference of the Committee are wide. Besides having access to all the required information from the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The brief description of terms of reference is 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/yearly 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;
- Compliance with the Stock Exchanges and legal requirements concerning financial statements; and
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or Committee of Directors of the Company.

1.2. Composition of Committee:

The Committee comprise of two independent and one executive director having financial background and knowledge in the areas of business of the Company. The Committee comprises of Mr. Prasannakumar B. Gawde (Chairman of the Committee), Mr. Jagdeep Mehta and Mr. Vipul P. Shah.

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

1.3. Meeting and Attendance during the year:

During the year under review, 5 (five) meetings of the Audit Committee were held on 30th May, 2016, 25th July, 2016, 10th August, 2016, 14th November, 2016 and 10th February, 2017.

The composition of the Committee and the number of meetings attended by each member during the year ended 31st March, 2017 is as under:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	5	5
Mr. Jagdeep Y. Mehta	Member	5	5
Mr. Vipul P. Shah	Member	5	4

2. Nomination and 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.

The Committee's composition meets with the requirements of Regulations 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

2.1. Terms of reference:

The broad terms of reference of the Nomination and Remuneration Committee, inter-alia, are:

- i) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- ii) Formulate criteria for evaluation of Independent Directors and the Board;
- iii) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the Company's policy;
- iv) To carry out evaluation of every Director's performance;
- v) To recommend to the Board the appointment and removal of Directors and Senior Management;
- vi) To recommend to the Board policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management;
- vii) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- viii) To devise a policy on Board diversity;
- ix) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

2.2. Composition:

The Nomination and Remuneration Committee comprises of Mr. Prasannakumar B. Gawde (Chairman of the Committee), Mr. Jagdeep Y. Mehta and Mrs. Trupti H. Shah as its members.

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

2.3. Meeting details and attendance:

During the year under review, the Nomination and Remuneration Committee met 3 (three) times on 30th May, 2016, 25th July, 2016 and 10th February, 2017.

The composition of the Committee and number of meetings attended by each member during the year ended 31st March, 2017 is as under:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	3	3
Mr. Jagdeep Y. Mehta	Member	3	3
Mrs. Trupti H. Shah	Member	3	3

2.4. Performance Evaluation Criteria for Independent Directors:

Pursuant to the Section 178 (2) 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 at 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.

3. 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.

The Committee's composition meets with the requirements of Regulations 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

During the year under review, the Stakeholders' Relationship Committee met four times on 30th May, 2016, 10th August, 2016, 14th November, 2016 and 10th February, 2017.

Composition and attendance:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Pravinchandra B. Shah	Chairman	4	4
Mr. Vipul P. Shah	Member	4	4
Mr. Prasannakumar B. Gawde (Appointed w.e.f. 30 th May, 2016)	Member	3	3

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

Status of Investor Complaints:

At the beginning of the year	Received during the year	Resolved during the year	Pending
Nil	13	12	1

Name and Address of the Compliance Officer:

Ms. Mitali Shah, Company Secretary and Compliance Officer (upto 22nd May, 2017)

Ms. Rishika Puri, Company Secretary and Compliance Officer (w.e.f. 22nd May, 2017)

E-mail : companysecretaryvdcl@gmail.com

Phone No. : 022-66139999

Fax Number : +91-22-66139977

Postal Address : 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai. 400053.

D. REMUNERATION OF DIRECTORS:

1.1 The Non-Executive Directors had no precautionary relationship or transactions with the Company during the year 2016-17.

1.2 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.

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

Details of remuneration/sitting fees paid during the year 2016-17 and number of shares held as on 31st March, 2017 by the Directors of the Company are as follows:

(Amount in Rs.)

Name of the Directors	Salary and Perquisites	Performance/ Incentive/ Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Pravinchandra B. Shah	-	-	-	-	-	2,47,100
Mr. Vipul P. Shah	48,00,000	-	-	-	48,00,000	8,26,100
Dr. Shiv Nath Sahai (Re-appointed w.e.f. 1 st October, 2016)	3,95,000	-	-	-	3,95,000	-
Mr. Jagdeep Y. Mehta	-	-	-	64,000	64,000	-
Mr. Prasannakumar B. Gawde	-	-	-	73,000	73,000	-
Mrs. Trupti H. Shah	-	-	-	44,000	44,000	-

- 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. GENERAL BODY MEETINGS:**1.1. Details of the date, time location of the last three Annual/Extra Ordinary General Meetings are given below:**

Financial Year	Date	Time	Venue
2015-16	26 th August, 2016	3.30 p.m	The International by Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400093.
	13 th June, 2016 (Extra Ordinary General Meeting)	9.30 a.m.	102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai- 400053.
2014-15	30 th September, 2015	3.30 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2013-14	30 th September, 2014	4.30 p.m.	

1.2. Special Resolutions passed in last three Annual/Extra Ordinary General Meetings:

Date of Meetings	Particulars of Special Resolution
26 th August, 2016	<ol style="list-style-type: none"> Reappointment of Dr. Shiv Nath Sahai as Whole-Time Director (designated as Whole-Time Director and CFO) of the Company w.e.f. 1st April, 2016 till 2nd May, 2016. Re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director (re-designated as Whole-Time Director and CFO) of the Company w.e.f. 1st October, 2016 to 30th September, 2017. Reappointment of Mr. Vipul P. Shah as the Managing Director of the Company from 15th June, 2016 till 14th June, 2019. Approval of agreements for purchase/sale of goods and providing/availing services, etc entered into with related parties.
13 th June, 2016 (Extra Ordinary General Meeting)	<ol style="list-style-type: none"> Issue and allotment of 27,00,000 Warrants convertible into even number of Equity Shares of Rs. 10/- each of the Company at a price of Rs.40/- (including premium of Rs. 30/-) each on Preferential basis. Alteration of Capital Clause V of the Memorandum of Association of the Company. Alteration of Article No. 3 of the Articles of Association of the Company. Change of name of the Company from 'Vipul Dyechem Limited' to 'Vipul Organics Limited'.
30 th September, 2015	<ol style="list-style-type: none"> Revision in Remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1st April, 2015 for the remaining period of his tenure. Re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director (re-designated as Whole-Time Director and CFO) of the Company w.e.f. 1st April, 2015 till 31st March, 2016.

30 th September, 2014	<ol style="list-style-type: none"> 1) Revision in Remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1st April, 2014 for the remaining period of his tenure. 2) Re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director (re-designated as Whole-Time Director and CFO) of the Company w.e.f. 1st April, 2014 till 31st March, 2015. 3) Adoption of new set of Articles of Association of the Company. 4) Increase in the borrowing limits of the Company under section 180(1)(c) of the Companies Act, 2013. 5) Giving authority to create charge /mortgage on the assets of the Company under section 180(1)(a) of the Companies Act, 2013. 6) Entering into related party transaction under section 188 of the Companies Act, 2013.
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During the year 2016-17, there was no special resolution passed through postal ballot process. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

F. MEANS OF COMMUNICATION:

1.1 The Company has published quarterly/half yearly /Annual results as per details mentioned below:

Newspapers	Date of Board Meeting	Date of Publishing
Business Standard and Mumbai Lakshadweep	30 th May, 2016	1 st June, 2016
	10 th August, 2016	12 th August, 2016
	14 th November, 2016	16 th November, 2016
	10 th February, 2017	11 th February, 2017

1.2 Website: The Company's website (www.vipulorganics.com) contains a separate section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user friendly and downloadable form.

1.3 During the year, the Company has not made any presentation to Institutional Investors and Analysts. All Corporate Announcements made to the Stock Exchanges during the year 2016-17 are available on the website of the Company.

G. GENERAL INFORMATION FOR SHAREHOLDERS:

1.1 Annual General Meeting for the financial year 2016-17:

Day : Friday
Date : 29th September, 2017
Time : 3.30 P.M.
Venue : Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai 400058

1.2 Financial Year: 1st April to 31st March

Dividend Payment Date: Credit/ Dispatch between 3rd October, 2017 and 6th October, 2017

1.3 Listing on Stock Exchanges:

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
The Ahmedabad Stock Exchange Limited*
*Applied for de-listing

1.4 Listing Fees: The Company has paid the necessary listing fees of the BSE Limited for the year 2017-18.

1.5 Stock Code: BSE: 530627

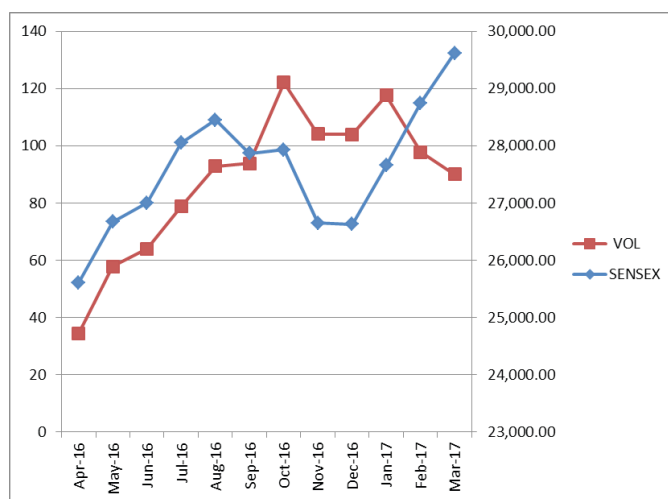
1.6 ISIN for NSDL and CDSL: INE834D01018

1.7 Stock Market Price Data and comparison with BSE Sensex:

The monthly high and low quotations of shares traded on the BSE Limited 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, 2016	39.75	27.00	26100.54	24523.20
May, 2016	57.85	33.50	26837.20	25057.93
June, 2016	75.00	51.00	27105.41	25911.33
July, 2016	94.00	60.20	28240.20	27034.14
August, 2016	107.40	73.00	28532.25	27627.97
September, 2016	105.90	89.00	29077.28	27716.78
October, 2016	137.00	92.00	28477.65	27488.30
November, 2016	137.55	85.00	28029.80	25717.93
December, 2016	114.25	94.20	26803.76	25753.74
January, 2017	122.00	97.10	27980.39	26447.06
February, 2017	124.40	96.00	29065.31	27590.10
March, 2017	105.90	84.05	29824.62	28716.21

* Source: www.bseindia.com

1.8 Performance of Vipul Organics Limited share price in comparison to BSE Sensex (Based on closing Price) for the financial year ended 31st March, 2017:**1.9 Trading of Securities:** The securities of the Company were not suspended from trading during the year 2016-17.**1.10 Registrar and Share Transfer Agent:**

Bigshare Services Pvt. Ltd. Unit: Vipul Organics Limited
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road,
 Marol, Andheri East, Mumbai 400059
 Tel No. : +91-22-62638200
 Fax No. : +91-22-62638299
 Email ID: info@bigshareonline.com

1.11 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 the 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.

1.12 The Distribution of Shareholding as at 31st March, 2017:

Slab of Shares Holding (in Rs.)		Shareholders	Percentage (%)	Amount (Rs.)	Percentage (%)
From	To				
1	5000	2674	86.6494	3925600	6.2664
5001	10000	180	5.8328	1522030	2.4296
10001	20000	84	2.7220	1344190	2.1457
20001	30000	33	1.0693	882580	1.4089
30001	40000	17	0.5509	618610	0.9875
40001	50000	13	0.4213	629190	1.0044
50001	100000	28	0.9073	2138930	3.4144
100001	999999999	57	1.8471	51583870	82.3432
TOTAL		3086	100.00	62645000	100.00

1.13 Dematerialization of shares and liquidity:

As on 31st March, 2017 about 93.92% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.

1.14 Convertible Instruments:

On 6th July, 2016, the Company issued and allotted 22,50,000 warrants convertible into even number of Equity Shares of Rs. 10/- each on preferential basis to the promoters and others.

The Company has allotted 7,90,000 Equity Shares of Rs.10/- each upon conversion of 7,90,000 warrants during the year ended 31st March, 2017.

As on 31st March, 2017 14,60,000 Convertible warrants remained outstanding for conversion into 14,60,000 Equity Shares of Rs. 10/- each.

The Company has not issued any American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs), warrants or any other convertible instruments during the financial year ended 31st March, 2017.

1.15 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.

1.16 Plant Locations:

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

1.17 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 Organics Limited

1st Floor,
Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai 400059
Tel No.: +91-22-62638200
Fax No.: +91-22-62638299
Email ID: info@bigshareonline.com
investor@bigshareonline.com

Ms. Rishika Puri

Company Secretary and Compliance Officer
102, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (W),
Mumbai 400053.
Tel No.: +91-22-66139999
Fax No.: +91-22-66139977/75
Email ID: companysecretaryvdcl@gmail.com

H. DISCLOSURES:**i. 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 31st March, 2017 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 <http://vipulorganics.com/policies.htm>.

ii. 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.

iii. Whistle-Blower Policy/Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2016-17, no employee was denied access to the Audit Committee.

iv. 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 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of these compliances with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.

v. Policy for determining "material" subsidiaries – As on 31st March, 2017, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 for qualifying as a Material Subsidiary.**vi. Commodity price risks and commodity hedging activities-** The Company does not deal in commodity price risks and commodity hedging activities.**I. Compliance of the requirement of Corporate Governance Report:**

During the year 2016-17, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

J. Discretionary Requirements as specified in Part E of Schedule II:

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (a) Audit Qualification - The Company is in the regime of unqualified financial statements.
- (b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

K. Disclosure of the Compliance with Corporate Governance:

The Company has complied with the Regulations 17 to 20, 22, 23, 25 to 27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year 2016-17, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

L. Disclosure of accounting treatment:

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

M. Related Party Disclosures:

The disclosures as required under Accounting Standard (AS-18) on "Related Party" are given in appended financial statements under notes to accounts.

N. 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 31st March, 2017. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

O. Declaration on Compliance for Code of Conduct:

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

P. Compliance Certificate by Auditors:

The Company has obtained a certificate from the Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), 2015 which is annexed herewith and forming part of Annual Report.

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 31st March, 2017.

For Vipul Organics Limited

Place: Mumbai
Date: 29th May, 2017

Vipul P. Shah
Managing Director
DIN: 00181636

AUDITORS' CERTIFICATE**Compliance Certificate**

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

We, J. A. Rajani & Co., Chartered Accountants, the Statutory Auditors of Vipul Organics Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (the Listing Regulations).

Management's responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.

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

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2017

REMUNERATION POLICY

The Company follows a policy for the determination of remuneration of Directors and Senior Management Employees.

Remuneration of Managing Director:

- At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed upon between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing 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 and Remuneration Committee shall consider the following:
 1. The relationship of remuneration and performance benchmarks is clear;
 2. Responsibility of the Managing Director 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 and 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 and Remuneration Committee for its review and approval.

The Board members are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors of the Company are posted on the Company's website at www.vipulorganics.com.

INDEPENDENT AUDITOR'S REPORT

To the Members of Vipul Organics Limited

(formerly known as Vipul Dychem Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Vipul Organics Limited. ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 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.

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.

Auditor's 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 31st March 2017 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, 2017 ("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.
- (e) on the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 32, 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.
 - iv. The Company has provided requisite disclosures in the financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by Company refer note 53 to the financial statements.

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

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2017

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

Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended 31st March, 2017:

- 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 not 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 .Therefore clause 3 (iii) (b) and (c.) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 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, 2017 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 and 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. However, Company has taken term loan which has been utilised for the purpose for which it has been raised.
- 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 Sections 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 made preferential allotment of shares during the year under review. Funds so raised were applied for the purpose for which it was issued , however surplus funds have been temporarily held in fixed deposit with bank and separate bank .
- 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: 29th May, 2017

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial
Statements of Vipul Organics 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 Organics Limited (“the Company”) as of 31st March, 2017 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 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with 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 31st March, 2017, 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. 11674

Place: Mumbai
Date: 29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	31 st March, 2017		31 st March, 2016
		₹ in thousand	₹ in thousand	₹ in thousand
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	3	62,645.00		54,745.00
(b) Reserves & surplus	4	1,08,924.15		77,862.16
(c) Advance Subscription against share warrants	5	14,600.00		-
			1,86,169.15	1,32,607.16
(2) NON-CURRENT LIABILITIES				
(a) Long-term borrowings	6	3,966.86		1,981.77
(b) Deferred tax liabilities (Net)	7	2,133.28		2,624.63
(c) Other Long term liabilities	8	682.18		422.16
(d) Long-term provisions	9	264.25		269.22
			7,046.58	5,297.79
(3) CURRENT LIABILITIES				
(a) Short-term borrowings	10	99,483.57		62,192.87
(b) Trade payables	11	-		-
Total Outstanding Dues -Micro and small enterprises				
Total Outstanding Dues -Other than micro & small enterprises		1,53,135.08		1,16,767.98
(c) Other current liabilities	12	6,403.80		9,418.04
(d) Short-term provisions	13	10,940.29		8,869.88
			2,69,962.74	1,97,248.76
TOTAL			4,63,178.46	3,35,153.70
II. ASSETS				
NON-CURRENT ASSETS				
(1) (a) Fixed assets				
(i) Tangible assets	14	62,402.93		55,696.58
(iii) Capital work-in-progress		12,645.39		1,271.02
(b) Non-Current Investments	15	14,042.77		14,042.77
(c) Long-term loans and advances	16	61,612.62		55,819.23
(d) Other non-current assets	17	547.50		60.00
			1,51,251.20	1,26,889.60
CURRENT ASSETS				
(2) (a) Inventories	18	76,759.97		51,676.39
(b) Trade receivables	19	1,45,705.82		1,02,551.86
(c) Cash and Cash equivalents	20	46,781.87		21,985.37
(d) Short-term loans and advances	21	42,679.60		32,050.47
			3,11,927.26	2,08,264.10
TOTAL			4,63,178.46	3,35,153.70

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: 29th May, 2017

 For and on behalf of the Board of Directors
 Vipul Organics Limited

 Pravinchandra B. Shah
 Chairman

 Vipul P. Shah
 Managing Director

 Dr. Shiv Nath Sahai
 Whole-Time Director and CFO

 Rishika Puri
 Company Secretary and
 Compliance Officer

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
I. Revenue from operations	22	5,70,081.41	5,23,750.75
II. Other income	23	1,744.15	1,189.28
III. Total Revenue (I + II)		5,71,825.56	5,24,940.04
IV. Expenses:			
Cost of materials consumed	24	1,67,040.15	1,70,825.25
Purchases of Stock-in-Trade	24	2,64,372.86	2,05,972.06
Changes in Inventories of Stock-in-Trade	25	(22,613.84)	3,159.00
Employee benefits expense	26	23,506.75	17,737.61
Finance cost	27	6,119.52	6,620.98
Depreciation and amortization	28	7,552.46	8,707.63
Operating Expenses	29	55,123.52	55,025.08
Administrative, Selling and General expenses	30	48,364.18	43,863.79
Total expenses		5,49,465.60	5,11,911.40
V. Profit before tax (III-IV)		22,359.97	13,028.64
VI. Tax expense:			
(1) Current tax		8,300.00	3,750.00
(2) Deferred tax		(491.35)	335.33
		7,808.66	4,085.33
VII. Profit for the period after tax (V-VI)		14,551.31	8,943.31
VIII. Earnings per equity share:	31		
(1) Basic		2.66	1.63
(2) Diluted		2.66	1.63
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: 29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Vipul P. Shah
Managing Director

Rishika Puri
Company Secretary and
Compliance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
A. Cash Flow from Operating Activities:		
Profit Before Tax	22,359.97	13,028.64
Adjustments for:		
Depreciation and Amortisation	7,552.46	8,707.63
Interest Expenses (Net)	6,119.52	6,620.98
Dividend Income	(63.79)	(57.51)
Other Income	(1,086.23)	(1,131.78)
Bad Debts written off	309.83	-
Sundry Balance writeoff	(594.13)	-
	<u>12,237.66</u>	<u>14,139.32</u>
Operating Profit Before Working Capital Changes	34,597.62	27,167.96
(Increase) / Decrease in Long-term and Short term loans and advances	(16,422.52)	18,634.90
(Increase) / Decrease in Other Current and Non-current assets	(487.50)	12.00
(Increase) / Decrease in Inventories	(25,083.58)	8,110.63
(Increase) / Decrease in Trade receivables	(43,463.79)	16,395.83
(Decrease) / Increase in Trade payables and liabilities	33,301.09	(10,608.53)
	<u>(52,156.31)</u>	<u>32,544.83</u>
Cash Generated from Operations	(17,558.68)	59,712.79
Direct Taxes Paid (including TDS) Net	(8,240.02)	(2,958.34)
Net Cash Flow from Operating Activities	-A <u>(25,798.70)</u>	<u>56,754.46</u>
B. Cash Flow from Investing Activities:		
Sale/ (Purchase) of Tangible and Intangible Assets	(25,580.67)	(4,430.34)
Investments	0.00	(11,000.00)
Interest and Dividend Income	1,150.02	1,189.28
Net Cash used in Investing Activities	-B <u>(24,430.65)</u>	<u>(14,241.06)</u>
C. Cash Flow from Financing Activities:		
Increase in Share Capital / Share Warrant Application Received	46,200.00	-
(Decrease) / Increase in Borrowings (net)	39,275.80	(32,108.00)
Dividend Paid	(4,330.42)	(4,305.45)
Interest Paid and Finance Cost	(6,119.52)	(6,620.98)
Net Cash from Financing Activities	-C <u>75,025.85</u>	<u>(43,034.42)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	-A+B+C <u>24,796.50</u>	<u>(522.02)</u>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	20,135.36	9,252.20
- Deposits with Banks and Interest Accrued thereon **	26,646.52	12,733.17
	<u>46,781.87</u>	<u>21,985.37</u>
Less: Cash and Cash Equivalents as at the beginning of the year	<u>21,985.37</u>	22,507.39
Net Increase / (Decrease) in Cash and Cash Equivalents	<u>24,796.50</u>	<u>(522.02)</u>

Note:

This includes Rs. 1104.59 thousands balance in earmarked account (Previous Year includes Rs. 1059.71 thousands)

** This Includes Rs.127.14 thousands held in deposit for more than 12 months (Previous Year Rs. 167.00 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: 29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Rishika Puri
Company Secretary and
Compliance Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Corporate Information

The Company is mainly in business of Dyes stuff, Organic Pigments & Organic Intermediates.

2. Significant Accounting Policies

a. System Of Accounting:

The financial statement 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 and relevant provisions of the Companies Act,2013 .The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties. 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 calculated 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 or NRV whichever is less.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**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 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,Contigent 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 31ST MARCH, 2017

		31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
3 Share capital:			
3.1 Authorised :			
1,00,00,000 (P. Y. 70,00,000)Equity Shares of ₹10 each		1,00,000.00	70,000.00
TOTAL		1,00,000.00	70,000.00
3.2 Issued, Subscribed and Fully Paid-up Shares:			
62,64,500 (P. Y.54,74,500) Equity Shares of ₹10 each fully paid up		62,645.00	54,745.00
TOTAL		62,645.00	54,745.00

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	
	Figures for the current reporting period	Figures for the previous reporting period	Figures for the current reporting period	Figures for the previous reporting period
Balance as at Beginning of Year	54,74,500	54,74,500	54,745.00	54,745.00
Issued During the Year	7,90,000	-	7,900.00	-
Balance as at End of Year	62,64,500	54,74,500	62,645.00	54,745.00

** Issued equity shares on conversion of even no warrants issued on preferential basis .

- 650000 equity shares of ₹ 10/- each have been allotted during the year, at a premium of ₹ 30/- per shares to promoters on conversion of preferential Share Warrants.
- 140000 equity shares of ₹ 10/- each have been allotted during the year, at a premium of ₹ 30/- per shares to non-promoters on conversion of preferential Share Warrants.

3.4 Terms / rights attached to equity shares

- Fully paid equity shares, which have a par value of ₹ 10/-, carry one vote per share and carry a right to dividend.
- Dividend if recommend by the Board of Directors need approval from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividend if in their judgement the position of the Company justifies.
- During the year ended March 31, 2017, the amount of per share dividend recognised as ₹ 0.80 (March 31, 2016 ₹ 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:

Name of the shareholders	31 st March, 2017		31 st March, 2016	
	(No.s)	%	(No.s)	%
Vipul P. Shah	8,26,100	13.19%	7,26,100	13.26%
Mihir V. Shah	10,60,600	16.93%	9,60,600	17.55%
Vatsal V. Shah	5,86,050	9.36%	4,86,050	8.88%
Mita V. Shah	3,39,500	5.42%	2,39,500	4.37%
	28,12,250	39.47%	21,72,750	39.69%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017	31st March, 2016
	₹ in thousand	₹ in thousand
4 Reserves and surplus:		
Capital Reserve	6,277.70	6,277.70
Securities Premium Account	53,178.00	29,478.00
General Reserve	9,009.75	9,009.75
Profit and loss account	40,458.69	33,096.70
Total	1,08,924.15	77,862.16
4.1 Capital Reserve		
As per Last Balance Sheet	6,277.70	6,277.70
Balance at end of year	6,277.70	6,277.70
4.2 Securities Premium Account:		
Balance at beginning of year	29,478.00	29,478.00
Add /Less: Premium on Issue Of Equity Shares	23,700.00	-
Balance at end of year	53,178.00	29,478.00
4.3 General Reserve		
Balance at beginning of year	9,009.75	9,009.75
Balance at end of year	9,009.75	9,009.75
4.4 Profit and loss account		
Balance at beginning of year	33,096.70	29,246.09
Add: Profit after Tax for the year	14,551.31	8,943.31
Less: Appropriations:		
Tax Adjustments & Others	(1,157.48)	138.69
Proposed Dividend - Final	(5,011.60)	(4,379.60)
Corporate Dividend Tax thereon	(1,020.24)	(851.78)
Balance at end of year	40,458.69	33,096.70
5 Advance Subscription against share warrants		
Preferential Share Warrant		
22,50,000 (Previous year Nil) Preferential Share warrant paid up Rs. 10 each	22500	0
Less : 7,90,000 (Previous Year Nil) Preferential Share Warrant converted into Equity Shares	7900	0
	14,600.00	-

The Company has allotted 12,50,000 warrants to promoters & 10,00,000 warrants to non-promoter on 6th July, 2016 on preferential basis, convertible into equity shares of ₹ 10/- each fully paid up. The holders of warrants have a right to apply for one equity share of ₹ 10/- each at a premium of Rs. 30/- within a period 18 months from the date of allotment. Against this, company has received ₹10 per warrant.

	31st March, 2017	31st March, 2016
	₹ in thousand	₹ in thousand
6 Long term borrowings:		
6.1 Secured Loans		
Term Loan from Bank		
Loan from Bank Against Vehicles (Refer Note no 12)	1,009.83	1,981.77
Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapur	2,957.03	-
Sub Total (A)	3,966.86	1,981.77
6.2 Unsecured Loans		
Loan from Others (Refer Note no 12) **	(B) 0.00	0.00
Total (A) + (B)	3,966.86	1,981.77

** Personal Guarantee of Directors

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Term Loans from Banks-Against Vehicles

₹ Nil ('000) (Previous Year ₹ Nil ('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.

₹ 1009 ('000) (Previous Year ₹1835 ('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.

₹ 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 21st November, 2017 and carry interest rate of 11.8 % p.a.

Term Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapur

₹ 2957 ('000) (Previous Year ₹ Nil) secured by hypothecation of Proposed Plant & Machinery and Factory Building at Tarapur wherein in Term loan sanctioned for ₹ 700 Lakhs principal payable in equal monthly installment of ₹ 11.67 Lakhs over period of 60 months after initial moratorium period of 1 year from date of disbursement from Vijaya Bank Ltd. and carry interest rate of 11.45 % p.a.

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
7 Deferred Tax Liability		
Major components of deferred tax are:		
Related to Fixed Assets	2,133.28	2,624.63
Net Deferred Tax Liability	<u>2,133.28</u>	<u>2,624.63</u>
8 Other Long-term Liabilities:		
Payables on purchase of Fixed Assets	632.18	372.16
Deposit from Dealers	50.00	50.00
Total	<u>682.18</u>	<u>422.16</u>
9 Long-term provisions:		
Provision for Gratuity	264.25	269.22
Total	<u>264.25</u>	<u>269.22</u>
10 Short-term borrowings:		
(a) Loans repayable on demand		
From banks		
Secured	99,483.57	62,192.87
Total	<u>99,483.57</u>	<u>62,192.87</u>

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:-

- 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 along with machineries at Plot no 10 & 16, Diwan & Sons Ind.Est.Palghar & Machinery at Plot no 10 of Jayshree Chemicals.
- Factory Land at Plot no T-115, Tarapur Industrial Area, Village Pamtembhi, Taluka Palghar, Thane
- Also covered in personal guarantee of 2 directors & corporate guarantee of Jayshree Chemicals.

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
11 Trade payables		
Total Outstanding Dues -Micro and small enterprises	-	-
Total Outstanding Dues -Other than micro & small enterprises (Refer note 44)	1,42,869.32	1,01,840.31
Acceptances	10,265.76	14,927.67
Total	<u>1,53,135.08</u>	<u>1,16,767.98</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017	31 st March, 2016
	₹ in thousand	₹ in thousand
12 Other current liabilities:		
Current maturities of long-term secured loan (See Note 6.1)	1,085.39	1,564.56
Current maturities of long-term unsecured loan (See Note 6.2)	-	1,663.83
Advance from Customers	1,903.45	3,672.26
Unpaid Dividends	1,104.19	1,055.01
Duties & taxes	2,310.77	1,462.36
Total	6,403.80	9,418.04
13 Short-term provisions:		
Provision for Tax	4,908.44	3,638.50
Proposed Dividend	5,011.60	4,379.60
Corporate Dividend Tax	1,020.24	851.78
Total	10,940.29	8,869.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

14 Tangible Assets

(₹ in thousand)

	Factory Land	Office Premises	Buildings	Plant And Machinery	Furniture And Fixtures	Vehicles	Computer	Office Equipments	Total
Cost or valuation									
At 1 st April, 2015	16,130.35	635.48	9,164.41	51,333.77	6,003.92	11,636.17	2,098.99	2,703.92	99,707.01
Additions	334.54	-	-	2,066.80	1,137.15	-	366.91	260.91	4,166.30
Disposals	-	-	-	(81.00)	-	-	-	-	(81.00)
At 31st March 2016	16,464.89	635.48	9,164.41	53,319.57	7,141.07	11,636.17	2,465.89	2,964.83	1,03,792.32
Additions	10,554.00	-	-	3,326.51	-	-	198.39	127.40	14,206.30
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2017	27,018.89	635.48	9,164.41	56,646.09	7,141.07	11,636.17	2,664.28	3,092.23	1,17,998.62
Depreciation									
At 1 st April, 2015	-	178.01	3,621.52	25,688.53	2,518.91	3,726.40	1,832.72	1,834.02	39,400.10
Charge for the year	-	22.36	569.21	3,885.39	936.60	2,503.05	304.33	474.68	8,695.63
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	200.36	4,190.73	29,573.92	3,455.51	6,229.45	2,137.05	2,308.70	48,095.73
Charge for the year	-	21.21	504.10	3,650.12	967.98	1,706.04	303.86	346.64	7,499.958
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2017	-	221.57	4,694.83	33,224.04	4,423.49	7,935.50	2,440.91	2,655.34	55,595.69
Net Block									
At 31 st March 2017	27,018.89	413.91	4,469.58	23,422.04	2,717.58	3,700.67	223.37	436.89	62,402.93
At 31 st 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

Notes:

(1) Gross Block is at cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
15 Non-current Investments:		
(Fully Paid Up, At Cost)		
Trade Investments:		
(a) Investments in Equity Instruments		
Investments in Equity Shares of Subsidiaries:		
Equity Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted) 2550 (Prev.Yr. 2550) Equity Shares of ₹100 each.	255.00	255.00
(b) Investments in Preference Shares :		
100000 (Prev. Year Nil) 1.5% Non-Cumulative Optionally Convertible Preference Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted)	11,000.00	11,000.00
(c) Investments in Government Securities :		
Government Securities (Unquoted) (Deposited with Government authorities)	1.00	1.00
Non-trade Investments:		
(a) Investments in Equity Instruments		
Equity Shares (Quoted)		
Arvind Ltd.(1000 (Prev. Yr. 1000) Equity shares Fully paid of ₹10 Each)	84.99	84.99
Arvind Smartspaces Ltd.(100 (Prev. Yr. 100) Equity shares Fully paid of ₹10 Each)	9.44	9.44
Bodal Chemicals Ltd.(2500 (Prev. Yr. 2500) Equity shares Fully paid of ₹2 Each)	85.35	85.35
Global Offshore Services Ltd.(8400 (Prev. Yr. 8400) Equity shares Fully paid of ₹10 Each)	146.71	146.71
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev. Yr. 895) Equity shares Fully paid of ₹2 Each)	7.01	7.01
Hotel Leela Ventures Ltd.(1000 (Prev. Yr. 1000) Equity shares Fully paid of ₹2 Each)	54.72	54.72
J S W Energy Ltd.(1250 (Prev. Yr. 1250) Equity shares Fully paid of ₹10 Each)	155.11	155.11
Kiri Industries Ltd.(500 (Prev. Yr. 500) Equity shares Fully paid of ₹10 Each)	82.93	82.93
Mafatlal Industries Ltd.(346 (Prev. Yr. 346) Equity shares Fully paid of ₹10 Each)	165.93	165.93
Navin Flourine International Ltd.(346 (Prev. Yr. 346) Equity shares Fully paid of ₹10 Each)	76.95	76.95
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of ₹10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev. Yr. 500) Equity shares Fully paid of ₹5 Each)	166.92	166.92
Pricol Ltd.(3000 (Prev. Yr. 3000) Equity shares Fully paid of ₹1 Each)	122.59	122.59
Petronet LNG Ltd.(3000 (Prev. Yr. 3000) Equity shares Fully paid of ₹10 Each)	176.47	176.47
Standard Industires Ltd.(9900 (Prev. Yr. 9900) Equity shares Fully paid of ₹5 Each)	344.30	344.30
Vijaya Bank Ltd.(1000 (Prev. Yr. 1000) Equity shares Fully paid of ₹10 Each)	52.17	52.17
(b) Investments in Debentures:		
Debentures (Quoted)	40.50	40.50
	14,042.77	14,042.77

	Cost		Market Value	
	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
Aggregate value of Quoted Investments*	2,746.27	2,746.27	5,159.39	5,299.46
Aggregate value of Unquoted Investments	11,296.50	11,296.50	-	-
Total	14,042.77	14,042.77	5,159.39	5,299.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
16 Long-term loans and advances: (Unsecured and considered good)		
Capital Advances-Related (Refer note 48)	20,475.00	20,475.00
Capital Advances-Others	213.56	307.75
Deposits with Government Authorities and Others	40,924.06	35,036.48
Total	61,612.62	55,819.23
17 Other non-current assets:		
Unamortised Share Issue Expenses	547.50	60.00
Total	547.50	60.00
18 Inventories (At cost or net realisable value whichever is lower)		
(a) Raw materials (Chemicals & Others)	21,528.85	19,059.11
(b) Finished goods (Dyes ,Pigments and Chemicals)	54,960.03	24,700.69
(c) Stock-in-trade / Fuel (Dyes ,Pigments and Chemicals)	271.09	7,916.59
Total	76,759.97	51,676.39
19 Trade receivables (Unsecured)		
Considered Good		
Overdue Trade Receivables	428.55	292.97
Trade Receivables	1,45,277.28	1,02,258.89
Total	1,45,705.82	1,02,551.86
20 Cash and Cash equivalents:		
Earmarked Balance		
Unpaid Dividend Account	1,104.59	1,059.714
Balances with Scheduled Bank:		
In Current Account	18,512.34	7,486.70
In Fixed deposit	26,646.52	12,733.17
In EEFC Account	0.10	0.10
Cash in Hand	518.33	705.68
Total	46,781.87	21,985.37
Notes:		
Fixed deposits with Banks includes:		
a) Fixed deposit with the banks with maturity period of more than 12 months.	127.14	167.00
b) Fixed deposits in Margin Account	11,897.07	12,494.50
21 Short-term loans and advances: (Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 48)	6,944.68	8,350.22
Loans and advances to Employees	440.00	-
Prepaid Expenses	1,956.88	1,080.33
Balance with Government Authorities		
Excise	8,404.95	4,398.36
MVAT Refund	7,038.72	6,330.03
Service Tax	2,616.90	2,416.44
Advances recoverable in cash or kind or for value to be received		
Export Incentive	7,093.36	9,024.35
Advance to Suppliers	8,179.88	446.50
Others	4.24	4.24
Total	42,679.60	32,050.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017	31st March, 2016
	₹ in thousand	₹ in thousand
22 Revenue from operations		
Export sales	4,69,400.279	4,57,685.78
Local sales (Including Excise Duty)	95,023.04	52,207.76
Export incentives	15,508.48	19,050.70
Less: Excise Duty (Dyes, Pigments and Chemicals)	(9,850.38)	(5,193.48)
Total	5,70,081.41	5,23,750.75
23 Other income:		
Interest on Deposit with Banks & Others	1086.23	1,131.78
Dividend on Investments (non-trade)	63.79	57.51
Sundry Balance writeoff	594.13	-
Total	1,744.15	1,189.28
24 a) Cost of materials consumed (Chemicals & Others)		
Opening Stock	19,059.11	24,010.73
Add: Purchases	1,69,509.90	1,65,873.63
Less: Closing Stock	21,528.85	19,059.11
Total	1,67,040.15	1,70,825.25
b) Purchases of Stock-in-Trade		
Dyes, Pigments and Chemicals	2,64,372.86	2,05,972.06
Total	2,64,372.86	2,05,972.06
25 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year Dyes, Pigments and Chemicals	55,231.12	32,617.28
Sub-total (A)	55,231.12	32,617.28
Inventories at the beginning of the year Dyes, Pigments and Chemicals	32,617.28	35,776.29
Sub-Total (B)	32,617.28	35,776.29
(A) - (B)	(22,613.84)	3,159.00
26 Employee benefits expense:		
Salaries, Wages, Bonus and Gratuity	23,017.03	16,726.61
Employees' Welfare Expenses	489.71	1,011.00
Total	23,506.75	17,737.61
27 Finance costs:		
Bank Interest	4,966.54	4,401.20
Bank Charges-Processing Fees	621.81	1,073.36
Other Interest	531.16	1,146.42
Total	6,119.52	6,620.98
28 Depreciation and amortization		
Depreciation (As per Note 14)	7,499.958	8,695.63
Amortisation of Deferred Revenue Expenses	52.50	12.00
Total	7,552.46	8,707.63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		31st March, 2017	31st March, 2016
		₹ in thousand	₹ in thousand
29 Operating Expenses			
Stores and Spare Consumed		4,068.44	4,087.77
Power and Fuel		16,100.35	15,835.54
Factory Rent		4,800.00	4,200.00
Labour & Transport		16,433.30	15,582.20
Repairs & Maintenance		6,308.56	7,686.30
Packing Material		7,412.87	7,633.27
Total		55,123.52	55,025.08
30 Administrative, Selling and General expenses			
Export Clearing ,Freight & Forwarding		8,573.59	7,309.59
Professional & Legal Charges		6,729.70	5,551.43
Prior Period Expenses		37.80	60.00
Travelling Expenses		7,719.76	5,569.81
Insurance Charges		3,031.61	2,964.09
Rent ,Rates & Electricity		2,870.80	2,511.45
Donation		562.25	490.25
Exchange Gain /Loss		(50.09)	2,839.92
Commission		3,983.95	3,530.41
Miscellaneous/ Office Expenses		13,922.77	13,036.85
Bad Debts		309.83	-
Compensation to Customer (Refer Note no 35)		672.20	-
Total		48,364.18	43,863.79
31 Earnings per share:			
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.	14,551.31	8,943.31
Weighted Average number of shares outstanding during the year - (B)	Nos.	54,78,829	54,74,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs.	2.66	1.63
32 Contingent liabilities and Commitments:			
(i) Contingent Liabilities			
(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
Total		725.93	725.93
(ii) Commitment			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.		900	500.00
		900.00	500.00
33 Payments to Auditors for the year			
Auditors' Remuneration & Expenses (including Service Tax)			
(a) As Auditors		442.75	425.11
(b) For Tax Audit		212.75	209.80
(c) Certification and Other matters		367.34	281.22
(d) Taxation Matters		84.15	100.80
Total		1,106.99	1,016.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- 34** The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.
- 35** During the year ,Export Customer was allowed compensation/discount of ₹ 762 ('000) to compensate against loss incurred at the time of remittance against our Export receivables.
- 36** 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.
- 37** 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 Official Liquidator of PPCL and as per the latest order given by the Honourable High Court Patna, Official Liquidator has been directed to keep in reserve Rs. 200 Lacs to protect the interest of the Company till the matter is finally disposed off. In view of that, the management has not made any provision for doubtful deposits.
- 38** Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 39** Some assets of which the company is beneficial owner are pending for transfer in the name of the company.
- 40** 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.
- 41** Bonus is accounted on cash basis,which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits.
- 42** 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.
- 43** Unpaid Dividend accounts are subject to reconciliation.
- 44** There are no dues to suppliers which are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act,2006 as on 31st March, 2017 .This has been determined to the extent such parties have been identified on the basis of information available with company .This has been relied upon by the statutory auditors.
- 45** The outstanding forward exchange contract as on 31/03/2017 entered into by the company was for USD Nil (Prev. year USD 300 ('000) equivalent to ₹ 20370('000)).
- 46** The entire operations of the Company relate to only one segment viz. Dyesstuff, Organic Pigments & Organic Intermediates , there is no separate reportable segment under Accounting Standard – As 17 on Segment Reporting.
- 47** 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.
- 48 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. Vipul P. Shah
Dr. Shiv Nath Sahai
Mr. Prasannakumar B. Gawde
Mr. Jagdeep Y. Mehta
Mrs. Trupti H. Shah

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- c) Relatives of KMP
Mrs. Jaya P. Shah
V. P. Shah HUF
Mrs. Mita V. Shah
Mr. Mihir V. Shah
Mr. Vatsal V. Shah
- d) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)
Jayshree Chemicals
Ganesh Tiles & Marble Industries
Zeon Chemical Industries LLP
Efferchem Pvt Ltd
Amar Trading Corporation
Standardcon Pvt.Ltd.

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2017

(₹ in '000)

Nature of transaction	Year	Entities where control Exist	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2016-2017	381.20	-	2,009.05	25,650.84
	2015-2016	7,880.48	-	10,025.51	25,423.61
Sale/Services/Interest	2016-2017	35.61	-	-	8,752.84
	2015-2016	1,018.77	-	-	10,156.98
Receipt of Shares/Warrant Application money	2016-2017	-	5,000.00	27,000.00	-
	2015-2016	-	-	-	-
Investment In Preference Shares	2016-2017	-	-	-	-
	2015-2016	11,000.00	-	-	-
Advance /Loan Given (net)/(Received)	2016-2017	-	-	-	6,119.18
	2015-2016	(8,149.28)	(200.00)	-	7,434.93
Mangerial Remuneration /Salary	2016-2017	-	5,463.50	1,810.00	-
	2015-2016	-	4,560.00	430.00	-
Balance Receivable/(Payable)	31/03/2017	(1,930.31)	(129.39)	20,464.66	34,370.19
	31/03/2016	(5,517.35)	(107.18)	20,420.06	33,001.12

	31 st March, 2017		31 st March, 2016	
	₹ in thousand		₹ in thousand	
49 Imported and Indigenous Raw material Consumed		%		%
Imported	38,460.22	23	27,359.69	16
Indigenous	1,28,579.93	77	1,43,465.56	84
	1,67,040.15	100	1,70,825.25	100
50 Earning in Foreign Exchange				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates& Others	4,58,372.57		438235.35	
	4,58,372.57		4,38,235.35	
51 Particulars of expenditure in Foreign Currency :				
Particulars				
Commission	3,410.15		3455.34	
Traveling Expenses	2,547.15		2367.11	
Other Expenses	2,498.57		3024.45	
	8,455.86		8,846.90	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017		31st March, 2016	
	₹ in thousand		₹ in thousand	
52 C.I.F. Value of imports				
Raw Material & Finished Goods	55,194.96		22525.61	
Capital goods	1,087.92		-	
	56,282.88		22,525.61	

53 Disclosure of Specified Bank Notes (SBNs) (₹ in '000)
(As required by Ministry of Corporate Notification No. G.S.R. 307(E) and 308(E) dated March 30, 2017)

Particulars	SBN	Other Denominations Notes	Total
Closing cash in hand as on 08-11-2016	33.50	131.68	165.18
(+) Permitted receipts	-	801.27	801.27
(-) Permitted payments	22.50	691.93	714.43
(-) Amount deposited in Banks	11.00	-	11.00
Closing cash in hand as on 30-12-2016	-	241.02	241.02

	31st March, 2017		31st March, 2016	
	₹ in thousand		₹ in thousand	
54 Disclosure of Loan to Subsidiary				
Subsidiary Company	Amount Outstanding	Maximum Outstanding	Amount Outstanding	Maximum Outstanding
Shree Ambika Naturals Private Limited	-	-	-	10,404.75
(The above amount was given for capital expenditure)				

55 Due to technical reasons on Ministry of Company Affairs website, the Company is unable to file of Cost Audit in eform CRA-4 for the financial year 2013-2014 with the Central Government. The Company is in the process of resolving the same and file the same.

56 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: 29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Vipul P. Shah
Managing Director

Rishika Puri
Company Secretary and
Compliance Officer

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vipul Organics Limited (herein after referred to as the Holding Company) and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group", which comprise the Consolidated Balance Sheet as at 31st March, 2017 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. 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 31st March 2017 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:

- 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 .
- 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,;
- (e) on the basis of the written representations received from the directors of the Holding company & subsidiary company as on 31st March 2017 taken on record by the Board of Directors of the Holding company, none of the directors of the Group companies are disqualified as on 31st March 2017 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 32);
 - 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.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements. Refer Note 53 to the consolidated financial statements.

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

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2017

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Vipul Organics 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 Organics Limited (“the Holding Company”) and its Subsidiary Company as of 31st March, 2017 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 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 31st March, 2017, 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: 29th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	31 st March, 2017		31 st March, 2016
		₹ in thousand	₹ in thousand	₹ in thousand
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	3	62,645.00		54,745.00
(b) Reserves & surplus	4	1,06,880.56		75,477.32
(c) Advance Subscription against share warrants	5	14,600.00		-
			1,84,125.56	1,30,222.32
(2) MINORITY INTEREST			(1,353.28)	(1,331.43)
(3) NON-CURRENT LIABILITIES				
(a) Long-term borrowings	6	3,966.86		1,981.87
(b) Deferred tax liabilities (Net)	7	858.86		1,372.43
(c) Other Long term liabilities	8	682.18		422.16
(d) Long-term provisions	9	264.25		269.22
			5,772.15	4,045.69
(4) CURRENT LIABILITIES				
(a) Short-term borrowings	10	99,483.57		62,192.87
(b) Trade payables	11			
Total Outstanding Dues -Other than micro & small enterprises		1,51,523.36		1,13,999.28
(c) Other current liabilities	12	6,434.38		9,785.44
(d) Short-term provisions	13	11,008.41		9,108.27
			2,68,449.73	1,95,085.85
TOTAL			4,56,994.16	3,28,022.44
II. ASSETS				
NON-CURRENT ASSETS				
(1) (a) Fixed assets				
(i) Tangible assets	14	64,729.63		58,351.16
(ii) Capital work-in-progress		12,645.39		1,271.02
(b) Non-Current Investments	15	2,787.77		2,787.77
(c) Long-term loans and advances	16	61,655.30		55,861.92
(d) Other non-current assets	17	547.50		60.00
			1,42,365.58	1,18,331.87
(2) (a) Inventories	18	76,828.14		51,375.28
(b) Trade receivables	19	1,48,021.66		1,03,918.20
(c) Cash and Cash equivalents	20	46,998.31		22,117.56
(d) Short-term loans and advances	21	42,780.46		32,279.53
			3,14,628.58	2,09,690.57
TOTAL			4,56,994.16	3,28,022.44

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 :29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Vipul P. Shah
Managing Director

Rishika Puri
Company Secretary and
Compliance Officer

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	31st March, 2017 ₹ in thousand	31st March, 2016 ₹ in thousand
I. Revenue from operations	22	5,71,606.72	5,25,255.15
II. Other income	23	1,744.15	950.65
III. Total Revenue (I + II)		5,73,350.87	5,26,205.80
IV. Expenses:			
Cost of materials consumed	24	1,67,155.22	1,71,775.25
Purchases of Stock-in-Trade	24	2,64,372.86	2,03,867.88
Changes in Inventories of Stock-in-Trade	25	(22,961.16)	3,159.00
Employee benefits expense	26	24,209.52	18,398.93
Finance cost	27	6,133.56	6,622.61
Depreciation and amortization	28	7,880.33	9,110.82
Operating Expenses	29	55,318.213	55,150.65
Administrative, Selling and General expenses	30	48,585.194	44,350.83
Total expenses		5,50,693.74	5,12,435.97
V. Profit before tax (III-IV)		22,657.14	13,769.82
VI. Tax expense:			
(1) Current tax		8,300.00	3,750.00
(2) Deferred tax		(513.57)	764.93
		7,786.43	4,514.93
VII. Profit for the period after tax (V-VI)		14,870.71	9,254.90
Share of Minority		(21.85)	(136.98)
VIII. Profit for the period after Minority		14,848.86	9,117.92
VIII. Earnings per equity share:	31		
(1) Basic		2.71	1.67
(2) Diluted		2.71	1.67

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 :29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Vipul P. Shah
Managing Director

Rishika Puri
Company Secretary and
Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
A. Cash Flow from Operating Activities:		
Profit Before Tax	22,657.14	13,769.82
Adjustments for:		
Depreciation and Amortisation	7,880.33	9,110.82
Interest Expenses (Net)	6,133.56	6,622.61
Dividend Income	(63.79)	(57.51)
Other Income	(1,086.23)	(893.14)
Bad Debts written off	309.83	-
Sundry Balance writeoff	(594.13)	-
	<u>12,579.58</u>	<u>14,782.78</u>
Operating Profit Before Working Capital Changes	35,236.71	28,552.61
(Increase) / Decrease in Long-term and Short term loans and advances	(16,294.31)	9,580.95
(Increase) / Decrease in Other Current and Non-current assets	(487.50)	12.00
(Increase) / Decrease in Inventories	(25,452.86)	8,153.04
(Increase) / Decrease in Trade receivables	(44,413.29)	15,910.79
(Decrease) / Increase in Trade payables and liabilities	33,982.95	(13,286.47)
	<u>(52,665.01)</u>	<u>20,370.32</u>
Cash Generated from Operations	(17,428.30)	48,922.92
Direct Taxes Paid (including TDS) Net	(8,272.05)	(2,942.84)
Net Cash Flow from Operating Activities	- A (25,700.34)	45,980.10
B. Cash Flow from Investing Activities:		
Sale/ (Purchase) of Tangible and Intangible Assets	(25,580.67)	(4,430.32)
Interest and Dividend Income	1,150.02	950.65
Net Cash used in Investing Activities	- B (24,430.65)	(3,479.67)
C. Cash Flow from Financing Activities:		
Increase in Share Capital / Share Warrant Application Received	46,200.00	-
(Decrease) / Increase in Borrowings (net)	39,275.70	(32,108.00)
Dividend Paid	(4,330.62)	(4,305.45)
Interest Paid and Finance Cost	(6,133.56)	(6,622.61)
Net Cash from Financing Activities	- C 75,011.51	(43,036.06)
Net Increase / (Decrease) in Cash and Cash Equivalents	- A+B+C 24,880.52	(535.64)
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	20,351.80	9,384.62
- Deposits with Banks and Interest Accrued thereon **	26,646.52	12,733.17
	<u>46,998.31</u>	<u>22,117.80</u>
Less: Cash and Cash Equivalents as at the beginning of the year	22,117.80	22,653.44
Net Increase / (Decrease) in Cash and Cash Equivalents	<u>24,880.52</u>	<u>(535.64)</u>

Note:

This includes ₹ 1104.59 thousands balance in earmarked account (Previous Year includes ₹ 1059.71 thousands)

** This Includes ₹127.14 thousands held in deposit for more than 12 months (Previous Year ₹ 167.00 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 :29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Vipul P. Shah
Managing Director

Rishika Puri
Company Secretary and
Compliance Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**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. 31st March, 2017.

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 financial statement 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 and relevant provisions of the Companies Act, 2013 .The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties. 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 calculated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
3 Share capital:		
3.1 Authorised :		
1,00,00,000 (P. Y. 70,00,000)Equity Shares of ₹ 10 each	1,00,000.00	70,000.00
TOTAL	1,00,000.00	70,000.00
3.2 Issued, Subscribed and Fully Paid-up Shares:		
62,64,500 (P. Y. 54,74,500) Equity Shares of ₹ 10 each fully paid up	62,645.00	54,745.00
TOTAL	62,645.00	54,745.00

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

	Number of shares		Share Capital	
	(Nos.)		₹ in thousand	
	Figures for the current reporting period	Figures for the previous reporting period	Figures for the current reporting period	Figures for the previous reporting period
Balance as at Beginning of Year	54,74,500	54,74,500	54,745.00	54,745.00
Issued During the Year	7,90,000	-	7,900.00	-
Balance as at End of Year	62,64,500	54,74,500	62,645.00	54,745.00

** Issued equity shares on conversion of even no warrants issued on preferential basis .

- 650000 equity shares of ₹ 10/- each have been allotted during the year, at a premium of ₹ 30/- per shares to promoters on conversion of preferential Share Warrants
- 140000 equity shares of ₹ 10/- each have been allotted during the year, at a premium of ₹ 30/- per shares to non-promoters on conversion of preferential Share Warrants.

3.4 Terms / rights attached to equity shares

- Fully paid equity shares, which have a par value of ₹ 10/-, carry one vote per share and carry a right to dividend.
- Dividend if recommend by the Board of Directors need approval from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividend if in their judgement the position of the Company justifies.
- During the year ended 31st March, 2017, the amount of per share dividend recognised as ₹ 0.80 (31st March, 2016 ₹ 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:

Name of the shareholders	31 st March, 2017		31 st March, 2016	
	(No.s)	%	(No.s)	%
Vipul P. Shah	8,26,100	13.19%	7,26,100	13.26%
Mihir V. Shah	10,60,600	16.93%	9,60,600	17.55%
Vatsal V. Shah	5,86,050	9.36%	4,86,050	8.88%
Mita V. Shah	3,39,500	5.42%	2,39,500	4.37%
	24,72,750	39.47%	21,72,750	39.69%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
4 Reserves and surplus:		
Capital Reserve	6,277.70	6,277.70
Securities Premium Account	53,178.00	29,478.00
Capital Reserve on Consolidation	48.20	48.20
General Reserve	9,009.75	9,009.75
Profit and loss account	38,366.91	30,663.67
Total	1,06,880.56	75,477.32
4.1 Capital Reserve		
As per Last Balance Sheet	6,277.70	6,277.70
Balance at end of year	6,277.70	6,277.70
4.2 Securities Premium Account:		
Balance at beginning of year	29,478.00	29,478.00
Add /Less: Premiun on Issue Of Equity Shares	23,700.00	-
Balance at end of year	53,178.00	29,478.00
4.3 General Reserve		
Balance at beginning of year	9,009.75	9,009.75
Balance at end of year	9,009.75	9,009.75
4.4 Profit and loss account		
Balance at beginning of year	30,663.67	26,655.45
Add: Profit after Tax for the year	14,892.56	9,117.92
Less: Appropriations:		
Tax Adjustments & Others	(1,157.48)	121.68
Proposed Dividend - Final	(5,011.60)	(4,379.60)
Corporate Dividend Tax thereon	(1,020.24)	(851.78)
Balance at end of year	38,366.91	30,663.67
5 Advance Subscription against share warrants		
Preferential Share Warrant		
22,50,000 (Previous year Nil) Preferential Share warrant paid up ₹ 10 each	22500	0
Less : 7,90,000 (Previous Year Nil) Preferential Share Warrant converted into Equity Shares	7900	0
	14,600.00	-

The Company has allotted 12,50,000 warrants to promoters & 10,00,000 warrants to non-promoter on 6th July, 2016 on preferential basis, convertible into equity shares of ₹ 10/- each fully paid up. The holders of warrants have a right to apply for one equity share of ₹ 10/- each at a premium of ₹ 30/- within a period of 18 months from the date of allotment. Against this, company has received ₹ 10 per warrant.

6 Long term borrowings:		
6.1 Secured Loans		
Term Loan from Bank		
Loan from Bank Against Vehicles (Refer Note no 12)	1,009.83	1,981.87
Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapur	2,957.03	-
Sub Total (A)	3,966.86	1,981.87
6.2 Unsecured Loans		
Loan from Others (Refer Note no 12) **	(B) 0.00	0.00
Total (A) + (B)	3,966.86	1,981.87

** Personal Guarantee of Directors

Term Loans from Banks-Against Vehicles

₹ Nil ('000) (Previous Year ₹ Nil ('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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ 1009('000) (Previous Year ₹ 1835 ('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.

₹ Nil ('000) (Previous Year ₹ Nil ('000) 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.

Term Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore

Rs. 2957 ('000) (Previous Year Rs.Nil) secured by hypothecation of Proposed Plant & Machinery and Factory Building at Tarapur wherein in Term loan sanctioned for Rs 700 Lakhs principal payable in equal monthly installment of ₹ 11.67 Lakhs over period of 60 months after initial moratorium period of 1 year from date of disbursement from Vijaya Bank Ltd. and carry interest rate of 11.45 % p.a.

	31 st March,2017 ₹ in thousand	31 st March,2016 ₹ in thousand
7 Deferred Tax Liability		
Major components of deferred tax are:		
Related to Fixed Assets	2,294.91	2,795.00
Business Loss	(1,436.05)	(1,422.57)
Net Deferred Tax Liability	858.86	1,372.43
8 Other Long-term Liabilities:		
Payables on purchase of Fixed Assets	632.18	372.16
Deposit from Dealers	50.00	50.00
Total	682.18	422.16
9 Long-term provisions:		
Provision for Gratuity	264.25	269.22
Total	264.25	269.22
10 Short-term borrowings:		
(a) Loans repayable on demand		
From banks		
Secured	99,483.57	62,192.87
Total	99,483.57	62,192.87

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 along with machineries at Plot no 10 & 16, Diwan & Sons Ind.Est.Palghar & Machinery at Plot no 10 of Jayshree Chemicals.
- Factory Land at Plot no T-115 ,Tarapur Industrial Area,Village Pamtembhi ,Taluka Palghar,Thane
- Also covered in personal guarantee of 2 directors & corporate guarantee of Jayshree Chemicals.

	31 st March,2017 ₹ in thousand	31 st March,2016 ₹ in thousand
11 Trade payables		
Total Outstanding Dues -Micro and small enterprises	-	-
Total Outstanding Dues -Other than micro & small enterprises (refer note 44)	1,41,257.609	99,071.41
Acceptances	10,265.755	14,927.87
Total	1,51,523.36	1,13,999.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
12 Other current liabilities:		
Current maturities of long-term secured loan (See Note 6.1)	1,085.39	1,564.56
Current maturities of long-term unsecured loan (See Note 6.2)	-	1,663.83
Advance from Customers	1,903.45	3,672.26
Unpaid Dividends	1,104.19	1,055.01
Duties & taxes	2,341.35	1,829.76
Total	6,434.38	9,785.44
13 Short-term provisions:		
Provision for Tax	4,976.57	3,876.69
Proposed Dividend	5,011.60	4,379.80
Corporate Dividend Tax	1,020.24	851.78
Total	11,008.41	9,108.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

14 Tangible Assets

	Factory Land	Office Premises	Buildings	Plant And Machinery	Furniture And Fixtures	Vehicles	Computer	Office Equipments	Total
Cost or valuation									
At 1 st April, 2015	16,150.85	635.48	9,604.31	55,757.21	6,003.92	11,636.21	2,098.99	2,703.92	1,04,590.89
Additions	334.54	-	-	2,066.80	1,137.15	-	366.91	260.91	4,166.30
Disposals	-	-	-	(81.00)	-	-	-	-	(81.00)
At 31st March 2016	16,485.39	635.48	9,604.31	57,743.01	7,141.07	11,636.21	2,465.89	2,964.83	1,08,676.19
Additions	10,554.00	-	-	3,326.51	-	-	198.39	127.40	14,206.30
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2017	27,039.39	635.48	9,604.31	61,069.53	7,141.07	11,636.21	2,664.28	3,092.23	1,22,882.49
Depreciation									
At 1 st April, 2015	-	178.01	3,759.98	27,376.04	2,519.03	3,726.42	1,832.72	1,834.02	41,226.21
Charge for the year	-	22.36	595.06	4,262.73	936.60	2,503.05	304.33	474.68	9,098.82
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	200.36	4,355.04	31,638.77	3,455.63	6,229.48	2,137.05	2,308.70	50,325.03
Charge for the year	-	21.21	526.76	3,955.34	967.98	1,706.04	303.86	346.64	7,827.833
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2017	-	221.57	4,881.80	35,594.11	4,423.60	7,935.52	2,440.91	2,655.34	58,152.86
Net Block									
At 31 st March 2017	27,039.39	413.91	4,722.51	25,475.42	2,717.47	3,700.68	223.37	436.89	64,729.63
At 31 st March 2016	16,485.39	435.12	5,249.27	26,104.24	3,685.44	5,406.73	328.84	656.13	58,351.16

Notes:

(1) Gross Block is at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
15 Non-current Investments:		
(Fully Paid Up, At Cost)		
Trade Investments:		
(a) Investments in Government Securities :		
Government Securities (Unquoted)	1.00	1.00
(Deposited with Government authorities)		
Non-trade Investments:		
(a) Investments in Equity Instruments		
Equity Shares (Quoted)	2,746	
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	84.99	84.99
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	9.44	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
	2,746.27	2,746.27
(b) Investments in Debentures:		
Debentures (Quoted)	40.50	40.50
Total	2,787.77	2,787.77
	Cost	Market Value
	31st March, 2017 ₹ in thousand	31st March, 2016 ₹ in thousand
Aggregate value of Quoted Investments*	2,746.27	2,746.27
Aggregate value of Unquoted Investments	41.50	-
Total	2,787.77	5,159.39
		31st March, 2016 ₹ in thousand
		5,299.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
16 Long-term loans and advances: (Unsecured and considered good)		
Capital Advances-Related (Refer note 48)	20,475.00	20,475.00
Capital Advances-Others	213.56	307.75
Deposits with Government Authorities and Others	40,966.74	35,079.17
Total	61,655.30	55,861.92
17 Other non-current assets:		
Unamortised Share Issue Expenses	547.50	60.00
Total	547.50	60.00
18 Inventories (At cost or net realisable value whichever is lower)		
(a) Raw materials (Chemicals & Others)	21,597.02	19,105.33
(b) Finished goods (Dyes ,Pigments and Chemicals)	54,960.03	24,353.36
(c) Stock-in-trade / Fuel (Dyes, Pigments and Chemicals)	271.09	7,916.59
Total	76,828.14	51,375.28
19 Trade receivables (Unsecured)		
Considered Good		
Overdue Trade Receivables	1,690.52	292.97
Trade Receivables	1,46,331.14	1,03,625.23
Total	1,48,021.66	1,03,918.20
20 Cash and Cash equivalents:		
Earmarked Balance		
Unpaid Dividend Account	1,104.59	1,059.574
Balances with Scheduled Bank:		
In Current Account	18,698.07	7,584.65
In Fixed deposit	26,646.52	12,733.17
In EEFC Account	0.10	0.10
Cash in Hand	549.04	740.06
Total	46,998.31	22,117.56
Notes:		
Fixed deposits with Banks includes:		
a) Fixed deposit with the banks with maturity period of more than 12 months.	127.14	167.00
b) Fixed deposits in Margin Account	11,897.07	12,494.50
21 Short-term loans and advances: (Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 48)	6,944.68	8,350.22
Loans and advances to Employees	440.00	-
Prepaid Expenses	1,956.88	1,080.33
Balance with Government Authorities		
Excise	8,404.95	4,398.26
MVAT Refund	7,044.75	6,330.03
Service Tax	2,616.90	2,416.44
Advance Tax	-	207.81
Advances recoverable in cash or kind or for value to be received		
Export Incentive	7,093.36	9,024.25
Advance to Suppliers	8,179.88	446.50
Others	99.07	25.69
Total	42,780.46	32,279.53

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
22 Revenue from operations		
Export sales	4,69,400.28	4,57,685.78
Local sales (Including Excise Duty)	95,464.51	53,712.16
Export incentives	15,508.48	19,050.70
Less: Excise Duty (Dyes, Pigments and Chemicals)	(9,850.38)	(5,193.48)
Processing Income	1,083.83	-
Total	5,71,606.72	5,25,255.15
23 Other income:		
Interest on Deposit with Banks & Others	1086.23	893.14
Dividend on Investments (non-trade)	63.79	57.51
Sundry Balance writeoff	594.13	-
Total	1,744.15	950.65
24 a) Cost of materials consumed (Chemicals & Others)		
Opening Stock	19,105.33	24,056.95
Add: Purchases	1,69,646.91	1,66,823.63
Less: Closing Stock	21,597.02	19,105.33
Total	1,67,155.22	1,71,775.25
b) Purchases of Stock-in-Trade		
Dyes, Pigments and Chemicals	2,64,372.86	2,03,867.88
Total	2,64,372.86	2,03,867.88
25 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Dyes, Pigments and Chemicals	55,231.12	32,269.96
Sub-total (A)	55,231.12	32,269.96
Inventories at the beginning of the year		
Dyes, Pigments and Chemicals	32,269.96	35,428.96
Sub-Total (B)	32,269.96	35,428.96
(A) - (B)	(22,961.16)	3,159.00
26 Employee benefits expense:		
Salaries, Wages, Bonus and Gratuity	23,700.36	17,375.57
Employees' Welfare Expenses	509.16	1,023.37
Total	24,209.52	18,398.93
27 Finance costs:		
Bank Interest	4,966.54	4,401.20
Bank Charges-Processing Fees	621.81	1,073.36
Other Interest	545.21	1,148.05
Total	6,133.56	6,622.61
28 Depreciation and amortization expense		
Depreciation (As per Note 14)	7,827.833	9,098.82
Amortisation of Deferred Revenue Expenses	52.50	12.00
Total	7,880.33	9,110.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017	31st March, 2016
	₹ in thousand	₹ in thousand
29 Operating Expenses		
Stores and Spare Consumed	4,125.33	4,160.66
Power and Fuel	16,485.95	15,879.21
Factory Rent	4,800.00	4,200.00
Labour & Transport	16,079.27	15,583.37
Repairs & Maintenance	6,394.05	7,694.14
Packing Material	7,433.62	7,633.27
Total	55,318.21	55,150.65
30 Administrative, Selling and General expenses		
Export Clearing, Freight & Forwarding	8,573.59	7,309.59
Professional & Legal Charges	6,839.70	5,733.43
Prior Period Expenses	37.80	60.00
Travelling Expenses	7,750.54	5,595.61
Insurance Charges	3,055.20	2,987.21
Rent, Rates & Electricity	2,872.60	2,688.15
Donation	562.25	490.25
Exchange Gain /Loss	(50.09)	2,839.92
Commission	3,983.95	3,530.41
Miscellaneous/ Office Expenses	13,977.62	13,116.27
Bad Debts	309.83	-
Compensation to Customer (Refer Note no 35)	672.20	-
Total	48,585.19	44,350.83
31 Earnings per share:		
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. 14,892.56	9,117.92
Weighted Average number of shares outstanding during the year - (B)	Nos. 54,78,829	54,74,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs. 2.72	1.67
32 Contingent liabilities and Commitments:		
(i) Contingent Liabilities		
(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
Total	725.93	725.93
(ii) Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	900.00	500.00
	900.00	500.00
33 Payments to Auditors for the year		
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	471.50	456.60
(b) For Tax Audit	212.75	209.80
(c) Certification and Other matters	367.34	281.22
(d) Taxation Matters	169.77	160.02
Total	1,221.36	1,107.63

34 The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

ascertained.

- 35 During the year ,Export Customer was allowed compensation/discount of Rs. 762 ('000) to compensate against loss incurred at the time of remittance against our Export receivables.
- 36 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.
- 37 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 Official Liquidator of PPCL and as per the latest order given by the Honourable High Court Patna, Official Liquidator has been directed to keep in reserve Rs. 200 Lacs to protect the interest of the Company till the matter is finally disposed off. In view of that, the management has not made any provision for doubtful deposits.
- 38 Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 39 Some assets of which the company is beneficial owner are pending for transfer in the name of the company.
- 40 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.
- 41 Bonus is accounted on cash basis,which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits.
- 42 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.
- 43 Unpaid Dividend accounts are subject to reconciliation.
- 44 There are no dues to suppliers which are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act,2006 as on 31st March,2017 .This has been determined to the extent such parties have been identified on the basis of information available with company .This has been relied upon by the statutory auditors.
- 45 The outstanding forward exchange contract as on 31/03/2017 entered into by the company was for USD Nil (Prev. year USD 300.('000) equivalent to Rs.20370('000)).
- 46 The entire operations of the Company relate to only one segment viz. Dyesstuff, Organic Pigments & Organic Intermediates, there is no separate reportable segment under Accounting Standard – As 17 on Segment Reporting.
- 47 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.
- 48 **Related Party Disclosures**
As per the Accounting Standard 18, 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 Personal (KMP)
Mr. Vipul P. Shah
Dr. Shiv Nath Sahai
Mr. Prasannakimar B. Gawde
Mr. Jagdeep Y. Mehta
Mrs. Trupti H. Shah
Mr. R L Rathod
 - b) Relatives of KMP
Mrs. Jaya P. Shah
V. P. Shah HUF

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Mrs. Mita V Shah

Mr. Mihir V Shah

Mr. Vatsal V Shah

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

Jayshree Chemicals

Ganesh Tiles & Marble Industries

Zeon Chemical Industries LLP

Efferchem Pvt Ltd

Amar Trading Corporation

Standardcon Pvt.Ltd.

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2017

(₹ in '000)

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2016-2017	-	2,009.05	25,650.84
	2015-2016	-	10,025.51	25,423.61
Sale/Services/Interest	2016-2017	-	-	9,822.84
	2015-2016	-	-	10,156.98
Receipt of Shares/Warrant Application money	2016-2017	5,000.00	27,000.00	-
	2015-2016	-	-	-
Advance /Loan Given (net)/(Received)	2016-2017	-	-	6,119.18
	2015-2016	(200.00)	-	7,434.93
Mangerial Remuneration /Salary	2016-2017	5,613.50	1,810.00	-
	2015-2016	4,560.00	430.00	-
Balance Receivable/(Payable)	31/03/2017	(12,629.39)	20,464.66	36,680.76
	31/03/2016	(107.18)	20,420.06	33,001.12

	31 st March,2017 ₹ in thousand		31 st March,2016 ₹ in thousand	
49 Imported and Indigenous Raw material Consumed		%		%
Imported	38,460.22	23	27,359.69	16
Indigenous	1,28,695.00	77	1,44,415.56	84
	1,67,155.22	100	1,71,775.25	100
50 Earning in Foreign Exchange				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates& Others	4,58,372.57		438235.35	
	4,58,372.57		4,38,235.35	
51 Particulars of expenditure in Foreign Currency :				
Particulars				
Commission	3,410.15		3455.34	
Traveling Expenses	2,547.15		2367.11	
Other Expenses	2,498.57		3024.45	
	8,455.86		8,846.90	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31 st March, 2017 ₹ in thousand	31 st March, 2016 ₹ in thousand
52 C.I.F. Value of imports		
Raw Material & Finished Goods	55,194.96	22525.61
Capital goods	1,087.92	-
	56,282.88	22,525.61

53 Disclosure of Specified Bank Notes (SBNs) (Amt ₹ '000)
(As required by Ministry of Corporate Notification No. G.S.R. 307(E) and 308(E) dated 31st March, 2017)

Particulars	SBN	Other Denominations Notes	Total
Closing cash in hand as on 08-11-2016	33.50	131.68	165.18
(+) Permitted receipts	-	801.27	801.27
(-) Permitted payments	22.50	691.93	714.43
(-) Amount deposited in Banks	11.00	-	11.00
Closing cash in hand as on 30-12-2016	-	241.02	241.02

54 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 '000)

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	96.76%	1,76,843.44	100.33%	14,920.42
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	3.24%	5,928.84	-0.33%	(49.71)
Total	100.00%	1,82,772.28	100.00%	14,870.71

55 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 :29th May, 2017

For and on behalf of the Board of Directors
Vipul Organics Limited

Pravinchandra B. Shah
Chairman

Dr. Shiv Nath Sahai
Whole-Time Director and CFO

Vipul P. Shah
Managing Director

Rishika Puri
Company Secretary and
Compliance Officer



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@vipulorganics.com; **Telephone no.:** 022-66139999; **Fax no.:** 022-66139977/75

ATTENDANCE SLIP
45TH ANNUAL GENERAL MEETING ON FRIDAY, 29TH SEPTEMBER, 2017

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 45th Annual General Meeting of the Company at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri West, Mumbai 400058 on Friday, 29th September, 2017 at 3.30 p.m.

Signature of Shareholder/Proxy/Authorised Representative

Note:

1. Please fill in the Folio/DP Id. No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**
2. Please read the instructions for e-voting given along with the Annual Report. The voting period starts from Tuesday, 26th September, 2017 (9.00 a.m.) to Thursday, 28th September, 2017 (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.



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@vipulorganics.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 Vipul Organics Limited, 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 on my/our behalf at the 45th Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 3.30 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri West, Mumbai 400058 and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention number of shares)		
		For	Against	Abstain
	Ordinary Business			
1	Ordinary Resolutions for adoption of (a) Standalone Audited Financial Statements of the Company for the financial year ended 31 st March, 2017 together with the reports of the Board of Directors and Auditors thereon (b) Consolidated Audited Financial Statements of the Company for the financial year ended 31 st March, 2017 together with the reports of Auditors thereon.			
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 st March, 2017.			
3	Ordinary Resolution for appointment of a Director in place of Dr. Shiv Nath Sahai, Director (DIN: 00332652), who retires by rotation and being eligible, offers himself for re-appointment.			

4	Ordinary Resolution for appointment of M/s. R. A. Kuvadia & Co., Chartered Accountants (Firm Registration No. 105487W) as the Statutory Auditors of the Company in place of retiring Statutory Auditors M/s J. A. Rajani & Co., Chartered Accountants (Firm Registration No. 116740) and fixing their remuneration.			
	Special Business:			
5	Special Resolution for re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director of the Company w.e.f. 1 st October, 2017 to 30 th September, 2018.			
6	Special Resolution for revision in remuneration of Dr. Shiv Nath Sahai, Whole-Time Director and CFO of the Company w.e.f. 1 st July, 2017.			
7	Special Resolution for revision in remuneration of Mr. Vipul P. Shah, Managing Director of the Company w.e.f. 1 st July, 2017.			
8	Special Resolution under section 180(1)(c) for increasing the borrowing powers of the Company up to Rs. 50 Crores.			
9	Special Resolution under section 180(1)(a) of the Companies Act, 2013 to authorize Board of Directors of the Company to create mortgages/charges/hypothecation on all or any of the immovable and/or movable assets of the Company, both present and future upto an amount as approved by the shareholders of the Company under section 180(1)(c) of the Companies Act, 2013.			

Signed this..... day of.....2017

Signature of Shareholder.....

Signature of Proxy holder(s)

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 deem appropriate.

FOR KIND ATTENTION OF THE SHAREHOLDERS

Dear Shareholder(s),

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management and 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 update of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	:	
Name of the Shareholder	:	
Father's/Mother's/Spouse's Name	:	
Address (Registered Office Address in case the Member is a Body Corporate)	:	
Email Id.	:	
PAN or CIN	:	
UIN (Aadhar No.)	:	
Occupation	:	
Residential Status	:	
Nationality	:	
In case member is a minor, name of the guardian	:	
Date of birth of the Member	:	

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 Register and Share Transfer Agents of the Company viz. **BIGSHARE SERVICES PVT. LTD. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059.**

The Email 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**

Vipul P. Shah
Managing Director

AGM VENUE ROUTE MAP

