

29<sup>th</sup> September, 2018

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

**Ref : Security Code No.: 530627**  
**Subject : Submission of Annual Report of the Company for the financial year 2017-18**

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 2017-18, duly approved and adopted by the members of the Company at the 46<sup>th</sup> Annual General Meeting held on Thursday, 27<sup>th</sup> September, 2018.

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





# VIPUL ORGANICS

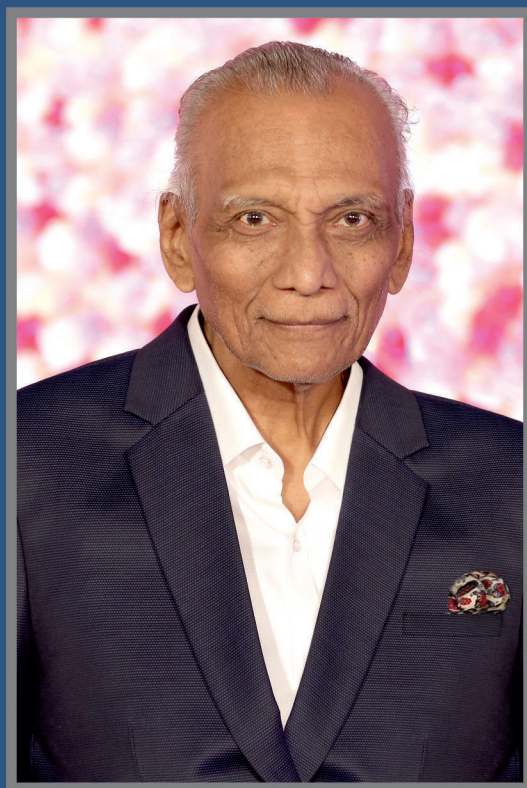
Interconnected Chemistry

## Blasting towards Infinite Possibilities

ANNUAL REPORT 2017-18







## Shri Pravinchandra B. Shah

Founder & Chairman — Vipul Organics Limited

24.03.1940 — 13.02.2018

Vipul Organics Limited lost their Patriarch and Chairman on 13<sup>th</sup> February, 2018. A man of vision, execution and perfection all through his life, has left the VOL family with astute values, an iron clenched fist and a burning desire to surge further ahead keeping in mind the staunch principles and code of ethics he has imbibed in us. Shri. Pravinchandra B. Shah is a legacy etched into the minds and hearts of many. We are sure that he has embarked on another exciting journey, leaving us behind with memories to cherish, principles to live by and a family bound together by strong roots that go very deep! On behalf of all VOL, Management, Board Members and Shareholders, we are sure his soul is resting in peace.

**BOARD OF DIRECTORS**

Late Mr. Pravinchandra B. Shah	(Chairman & Non-Executive Director till 13 <sup>th</sup> February, 2018)
Mr. Vipul P. Shah	(Managing Director)
Dr. Shiv Nath Sahai	(Whole-Time Director & 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 LOCATION**

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

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

**COMPANY SECRETARY AND  
COMPLIANCE OFFICER**

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

**AUDITORS**

M/s. R. A. Kuvadia & 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.  
1<sup>st</sup> 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

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## NOTICE

Notice is hereby given that the 46<sup>th</sup> Annual General Meeting of the members of **VIPUL ORGANICS LIMITED** will be held on Thursday, 27<sup>th</sup> September, 2018 at 4.00 p.m. at Svenska Design Hotel, Off Link Road, Next to Laxmi Industrial Estate, Sab TV Road, Andheri (West), Mumbai - 400053 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 31<sup>st</sup> March, 2018 together with the reports of the Directors and Auditors thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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 77,24,500 Equity shares of Rs. 10/- each of the Company for the year ended 31<sup>st</sup> March, 2018, be and is hereby declared out of the 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 Thursday, 20<sup>th</sup> September, 2018 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 Mr. Vipul P. Shah, Director (DIN: 00181636), 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, Mr. Vipul P. Shah (DIN: 00181636), Director of the Company, who retires by rotation and being eligible, has 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.”

### SPECIAL BUSINESS:

4. To approve revision in remuneration payable to Mr. Vipul P. Shah, Managing Director and in this regard, 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 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. 1<sup>st</sup> July, 2018 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. 5,15,000/- (Rupees Five Lakh Fifteen 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 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."

5. To approve proposal to take office premises on lease and in this regard, if thought fit, pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company be and is hereby accorded to take the office premises situated at 2<sup>nd</sup> Floor, Rishabh Tower, Main J. P. Road, Next to Andheri Sports Complex, Andheri (West), Mumbai - 400 053 on lease from Mr. Vipul P. Shah, Managing Director of the Company for a period of 12 years at rent upto Rs. 7,50,000/- per month from such date and on such other terms and conditions as may be mutually agreed between the Company and Mr. Vipul P. Shah.

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

6. To approve proposed contracts / agreements to be entered with related parties, and in this regard, if thought fit, pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the agreements for purchase / sale of goods and providing / availing services, etc. to be entered into with the following related parties, in which directors of the Company are interested, for the period and values as detailed in the below table be and are hereby approved:

Name of the Related Party	Nature of transactions	Period of contract and estimated value		
		01.06.2019 to 31.05.2020	01.06.2020 to 31.05.2021	01.06.2021 to 31.05.2022
M/s. Amar Trading Corporation	Purchase / sale of goods	Rs. 10 Crores	Rs. 10 Crores	Rs. 10 Crores
M/s. Efferchem Private Limited	Purchase / sale of goods & job work	Rs. 15 Crores	Rs. 15 Crores	Rs. 15 Crores
M/s. Jayshree Chemicals	Purchase / sale of goods	Rs. 10 Crores	Rs. 10 Crores	Rs. 10 Crores
M/s. Standardcon Private Limited	Purchase / sale of goods & job work	Rs. 10 Crores	Rs. 10 Crores	Rs. 10 Crores

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

7. To reappoint Dr. Shiv Nath Sahai as the Whole-Time Director and in this regard, 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 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 & CFO) of the Company for a period of one year w.e.f. 1<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2019 be and is hereby approved on the following terms and conditions:

1. Remuneration payable:
  - a. Salary: Rs. 70,000/- (Rupees Seventy 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.”

8. To reappoint Mr. Prasannakumar B. Gawde as an Independent Director and in this regard, if thought fit, pass the following resolution as a **Special resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Prasannakumar B. Gawde (DIN: 01456510), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

9. To reappoint Mr. Jagdeep Y. Mehta as an Independent Director and in this regard, if thought fit, pass the following resolution as a **Special resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jagdeep Y. Mehta (DIN: 00332523), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

10. To reappoint Mrs. Trupti H. Shah as an Independent Director and in this regard, if thought fit, pass the following resolution as a **Special resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Trupti H. Shah (DIN: 06884295), Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 1<sup>st</sup> June, 2019 to 31<sup>st</sup> May, 2024 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

11. To increase borrowing limits of the Company and in this regard, 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 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 capital, free reserves and securities premium, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of Rs. 100 Crores (Rupees One Hundred Crores only).

**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 deemed necessary to give effect to this resolution.”

12. To increase limits to create charge on assets of the Company and in this regard, 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 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 limit as approved under Section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company 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**

**Rishika Puri**

**Company Secretary and Compliance Officer**

**Membership No.: A49818**

**Place: Mumbai**

**Date: 14<sup>th</sup> August, 2018**

**Registered Office:**

**102, Andheri Industrial Estate,**

**Off. Veera Desai Road,**

**Andheri (West), Mumbai – 400 053.**

#### **NOTES:**

1. 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 and forms part of this notice.
2. **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 LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further, a person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
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 through remote 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) and signed at the meeting.
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 accompanying Notice and the Explanatory Statement are open for inspection by the members at the registered office of the Company on all working days except Saturdays during business hours up to the date of the Annual General Meeting. 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 Personnel Shareholdings maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays, 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 Friday, 21<sup>st</sup> September, 2018 to Thursday, 27<sup>th</sup> September, 2018 (both days inclusive).
10. The dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2018, if approved by the members at the ensuing Annual General Meeting, will be paid/dispached between 8<sup>th</sup> October, 2018 and 12<sup>th</sup> October, 2018 to those members whose names appear in the Register of Members as on Thursday, 20<sup>th</sup> September, 2018; 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 (RTA), 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, 1<sup>st</sup> 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 form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company's RTA.
14. In terms of circular issued by SEBI, it is now mandatory that only dematerialized securities will be allowed to be transferred except for transmission or transposition of securities of listed companies w.e.f. 5<sup>th</sup> December, 2018. Hence members are requested to get their physical shares dematerialized, if any member wish to sell the Company's shares. However, members can continue to hold shares in physical form, if they do not wish to sell shares.
15. Brief resume of Directors recommended to be appointed/re-appointed at the ensuing Annual General Meeting in terms of Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on "General Meetings" is annexed to the Notice.
16. 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 shareholding into one folio to facilitate better services.
17. Members seeking any information with regard 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.
18. The Annual Report for the financial year 2017-18, the Notice for the 46<sup>th</sup> Annual General Meeting and instructions for remote 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.
19. 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 from the Company electronically.
20. Members may also note that the Notice for the 46<sup>th</sup> AGM and the Annual Report for the financial year 2017-18 will be available on the Company's website viz. <http://vipulorganics.com/>.
21. The Company has transferred the unpaid or unclaimed dividend declared upto the financial year 2009-2010 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividend in respect of the financial year ended on 31<sup>st</sup> March, 2011 is due for transfer to the IEPF in month of November, 2018. The shareholders whose dividend remained unclaimed for the financial year 2010-11 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 29<sup>th</sup> September, 2017 (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](http://www.mca.gov.in) and on the website of IEPF viz. [www.iepf.gov.in](http://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 all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

You are advised to make your claim for the unclaimed dividends in respect of equity shares held by you, by writing to Bigshare Services Pvt. Ltd., Registrar & Share Transfer Agents of the Company, 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 (Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)). The claim will be processed as per the norms. In case the Company does not receive any valid claim from the shareholders by 4<sup>th</sup> November, 2018, the Company shall with a view to comply with the requirements of the said Rules, transfer the shares to the IEPF as per the procedure stipulated in the Rules.

As per the above mentioned Rules, shares held in physical form are liable to be transferred to IEPF. Please note that the Company would be issuing new share certificate(s) in lieu of the original share certificate(s) held by you for the purpose

of dematerialization and transfer of shares to IEPF as per the Rules and upon such issue, the original certificate(s) which stands registered in your name will stand automatically cancelled and be deemed non-negotiable. In case the shares are held in demat form are liable to be transferred to IEPF, the Company by way of corporate action will inform the depository to transfer shares in favor of DEMAT account of the IEPF.

Subsequent to transfer of such shares to the IEPF, all further benefits which may accrue on these shares including future dividends will be credited to the said IEPF only.

22. Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
23. Information and other instructions relating to the remote 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 46<sup>th</sup> Annual General Meeting through electronic voting (remote e-voting).
  - b. The Company has engaged the service of Central Depository Services (India) Limited (CDSL) for enabling remote e-voting.
  - c. The facility for voting through ballot papers 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 entitled to exercise their right to vote at the AGM through ballot papers.
  - d. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
  - e. The remote e-voting period begins on Monday, 24<sup>th</sup> September, 2018 at 09.00 a.m. and ends on Wednesday, 26<sup>th</sup> September, 2018 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. Thursday, 20<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - f. 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. Thursday, 20<sup>th</sup> September, 2018.
  - g. 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. Thursday, 20<sup>th</sup> September, 2018 only shall be entitled to avail the facility of remote e-voting and voting at meeting through ballot papers.
  - h. 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.
  - i. 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. Thursday, 20<sup>th</sup> September, 2018 may obtain User Id and password by sending request at [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com) or contact CDSL at toll free no.:1800-200-5533.
  - j. 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 [www.vipulorganics.com](http://www.vipulorganics.com) and on the website of the CDSL <https://www.evotingindia.com/>. The results shall simultaneously be communicated to the stock exchanges.
  - k. 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. Thursday, 27<sup>th</sup> September, 2018.

The instructions for e-voting are as under:

  - (i) Log on to the e-voting website [www.evotingindia.com](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (D.O.B.)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).</li> </ul>

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

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

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

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**ADDITIONAL INFORMATION OF DIRECTORS BEING PROPOSED FOR RE-APPOINTMENT PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON 'GENERAL MEETINGS' IS GIVEN BELOW:**

Name of the Director	Mr. Vipul P. Shah	Dr. Shiv Nath Sahai	Mr. Prasannakumar B. Gawde	Mr. Jagdeep Y. Mehta	Mrs. Trupti H. Shah
Director Identification Number	00181636	00332652	01456510	00332523	06884295
Date of Birth	2 <sup>nd</sup> February, 1966	2 <sup>nd</sup> August, 1945	18 <sup>th</sup> September, 1966	14 <sup>th</sup> September, 1967	28 <sup>th</sup> September, 1965
Date of Appointment	15 <sup>th</sup> June, 2016	1 <sup>st</sup> October, 2017	1 <sup>st</sup> April, 2014	1 <sup>st</sup> April, 2014	1 <sup>st</sup> June, 2014
Brief resume of the Director	Mr. Vipul P. Shah is the Managing Director of the Company.	Dr. Shiv Nath Sahai is the Whole-Time Director and Chief Financial Officer of the Company.	Mr. Prasannakumar B. Gawde is an Independent Director of the Company.	Mr. Jagdeep Y. Mehta is an Independent Director of the Company.	Mrs. Trupti H. Shah is an Independent Director of the Company.
Nature of his expertise in specific functional areas	Mr. Vipul P. Shah is a Chemical Engineer, having more than 30 years of experience in chemical dye stuff and pharmaceuticals industry.	Dr. Shiv Nath Sahai is a Ph.D. in Technology process and having more than 37 years of experience in marketing and Techno commercial areas. He has also served as the Chief Financial Officer of the Company. He is associated with the Company for more than 3 decades.	Has more than 25 years of rich experience in the fields of finance and taxation.	More than 23 years of experience in the fields of accounts, finance, Dyes and Chemical intermediates business.	Diet Expert
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil	Nil	Nil	Nil	Nil
No. of equity shares held in the Company	9,26,100	Nil	Nil	Nil	Nil
No. of Board Meeting attended during the year	9	10	10	8	8
Terms and Conditions of re-appointment	Liable to retire by rotation	One year w.e.f. 1 <sup>st</sup> October, 2018, liable to retire by rotation.	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024, not liable to retire by rotation.	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024, not liable to retire by rotation.	1 <sup>st</sup> June, 2019 to 31 <sup>st</sup> May, 2024, not liable to retire by rotation.
Remuneration to be paid (if applicable)	Rs. 5,15,000/- per month	Rs. 70,000/- per month	Sitting Fees	Sitting Fees	Sitting Fees
Disclosure of relationship between directors inter-se	Not related	Not related	Not related	Not related	Not related

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

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 30 years of experience in chemical dye stuff and pharmaceuticals industry. He holds 9,26,100 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. 1<sup>st</sup> July, 2018 for the remaining period of his tenure as specified in the resolution set out at item no. 4 of the notice.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 4 of the Notice for approval of members.

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

**Item No. 5**

As per business requirements, the Company is planning to take the office premises situated at 2<sup>nd</sup> Floor, Rishabh Tower, Main J. P. Road, Next to Andheri Sports Complex, Andheri (West), Mumbai 400 053 on lease from Mr. Vipul Shah, Managing Director of the Company.

As per the provisions of Section 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, prior approval and as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approval of shareholders is required for entering into contracts or agreements with related parties.

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

a.	<b>Name of the related party</b>	Mr. Vipul P. Shah
b.	<b>Name of the director or KMP who is related, if any</b>	Mr. Vipul P. Shah
c.	<b>Nature of Relationship</b>	Managing Director of the Company
d.	<b>Nature of contract</b>	Lease agreement
e.	<b>Material terms and monetary value of contract</b>	For a period of 12 years at a rent upto Rs 7,50,000/- per month
f.	<b>Other Information</b>	The Board of Directors will have authority to decide the date from which lease agreement will commence and also to alter terms and conditions from time to time as may be mutually agreed upon between the parties.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 5 of the Notice for approval of members.

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

**Item No. 6**

As per business requirements, the Company has to renew agreements for purchase/ sale of goods and providing / availing services with M/s. Amar Trading Corporation, M/s. Efferchem Private Limited, M/s. Jayshree Chemicals and M/s. Standardcon Pvt. Ltd., entities in which Directors of the Company are interested.

As per the provisions of Section 188(1) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of shareholders is required for entering into contracts or agreements with related parties; however if prior approval of the shareholders is not obtained, the Company can take its shareholders' approval within a period of 3 months from the date of entering into contract or agreement with related party. Further, the approval of shareholders for entering into contracts or agreements with related parties is also required under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

a. Name of the related party	M/s. Amar Trading Corporation, Partnership Firm	M/s. Efferchem Private Limited	M/s. Jayshree Chemicals, Partnership Firms	M/s. Standardcon Pvt. Ltd
b. Name of the Director and KMP who is related	1) Mr. Vipul P. Shah	1) Mr. Vipul P. Shah	1) Mr. Vipul P. Shah	1) Mr. Vipul P. Shah
c. Nature of Relationship	Director is one of the partners in firm	Common director and relative is one of the Directors of the Company	Director and relative of Director are partners in the firm	Relatives of Mr. Vipul P. Shah are directors in the contractee company.
d. Nature of contract	Purchase / sale of goods	Purchase / sale of goods & job work	Purchase / sale of goods	Purchase / sale of goods & job work
e. Terms and monetary value of contract				
01.06.2019-31.05.2020	Rs. 10 Crores	Rs. 15 Crores	Rs. 10 Crores	Rs. 10 Crores
01.06.2020-31.05.2021	Rs. 10 Crores	Rs. 15 Crores	Rs. 10 Crores	Rs. 10 Crores
01.06.2021-31.05.2022	Rs. 10 Crores	Rs. 15 Crores	Rs. 10 Crores	Rs. 10 Crores

The Board of Directors recommends passing of the Special Resolution as set out at item no. 6 of the Notice for approval of members.

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

#### Item No. 7

Dr. Shiv Nath Sahai, Whole-Time Director of the Company is associated with the Company for more than three decades and designated as Whole-Time Director and CFO of the Company.

The tenure of Dr. Shiv Nath Sahai as Whole-Time Director of the Company expires on 30<sup>th</sup> September, 2018. 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. 1<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2019 on the terms and conditions as explained in resolution as set out in item no. 7 of this notice, subject to the approval of the Members of the Company.

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

Accordingly, the Board of Directors recommends the special resolution set out at item no. 7 of the notice for approval of members.

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

#### Item No. 8

Mr. Prasannakumar B. Gawde was appointed as an Independent Director of the Company for a period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2014 and his current tenure ends on 31<sup>st</sup> March, 2019.

According to the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Prasannakumar B. Gawde, it is proposed to re-appoint him for a second term as an Independent Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.

Mr. Prasannakumar B. Gawde has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Independent Director.

In the opinion of the Board, Mr. Prasannakumar B. Gawde proposed to be appointed as an Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management. Copy of the draft letter for re-appointment of Mr. Prasannakumar B. Gawde as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume of Mr. Prasannakumar B. Gawde, proposed to be re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on 'General Meetings' is given in the annexure to the Notice. Mr. Prasannakumar B. Gawde is not holding any shares in the Company.



The Board recommends the Resolution as set out at item no. 8 of the Notice for your approval.

Except, Mr. Prasannakumar B. Gawde, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested, financially or otherwise, in the said resolution.

#### **Item No. 9**

Mr. Jagdeep Y. Mehta was appointed as an Independent Director of the Company for a period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2014 and his current tenure ends on 31<sup>st</sup> March, 2019.

According to the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Jagdeep Y. Mehta, it is proposed to re-appoint him for a second term as an Independent Director of the Company for a period of five years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.

Mr. Jagdeep Y. Mehta has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received a notice under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Independent Director.

In the opinion of the Board, Mr. Jagdeep Y. Mehta proposed to be re-appointed as an Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management. Copy of the draft letter for re-appointment of Mr. Jagdeep Y. Mehta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume of Mr. Jagdeep Y. Mehta, proposed to be re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on 'General Meetings' is given in the annexure to the Notice. Mr. Jagdeep Y. Mehta is not holding any shares in the Company.

The Board recommends the Resolution as set out at item no. 9 of the Notice for your approval.

Except, Mr. Jagdeep Y. Mehta, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested, financially or otherwise in the said resolution.

#### **Item No. 10**

Mrs. Trupti H. Shah was appointed as an Independent Director of the Company for a period of 5 consecutive years w.e.f. 1<sup>st</sup> June, 2014 and her current tenure ends on 31<sup>st</sup> May, 2019.

According to the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mrs. Trupti H. Shah, it is proposed to re-appoint her for a second term as an Independent Director of the Company for a period of five years from 1<sup>st</sup> June, 2019 to 31<sup>st</sup> May, 2024.

Mrs. Trupti H. Shah has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received a notice under section 160(1) of the Companies Act, 2013 proposing her candidature for the office of Independent Director.

In the opinion of the Board, Mrs. Trupti H. Shah proposed to be re-appointed as an Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management. Copy of the draft letter for re-appointment of Mrs. Trupti H. Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume of Mrs. Trupti H. Shah, proposed to be reappointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on 'General Meetings' is given in the annexure to the Notice. Mrs. Trupti H. Shah is not holding any shares in the Company.

The Board recommends the Resolution as set out at item no. 10 of the Notice for your approval.

Except Mrs. Trupti H. Shah, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested, financially or otherwise in the said resolution.

#### **Item Nos. 11 & 12**

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 making borrowing and authority to create charge / mortgage on the assets of the Company to secure the money(ies) to be borrowed from financial institutions, banks and others financial entities from time to time in excess of paid up capital, free reserves and securities premium. Hence it is proposed to take the approval of the members for a limit up to Rs. 100 Crores (Rupees One Hundred Crores Only).

The Board recommends the Special Resolutions as set out at item nos. 11 and 12 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, financially or otherwise in the said resolutions.

#### **ADDITIONAL INFORMATION FOR ITEM NOS. 4, 5, 6 AND 7**

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

<b>I General Information</b>		
(1)	Nature of industry	The Company is engaged in the business of manufacturing of Dye intermediates.
(2)	Date or Expected date	The Company is an existing company and is in 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. 3.38/- Return on net worth: 8.86%
(5)	Foreign investments or collaborators, if any	Nil
<b>II Information about the Directors</b>		
<b>A. Mr. Vipul P. Shah</b>		
(1)	Background details	Mr. Vipul P. Shah, aged 52 years, is a Chemical Engineer, has around 30 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. 4,40,000/- per month .
(3)	Recognition or awards	Under the guidance of Mr. Vipul P. Shah, the Company has received "FIRST AWARD" for the 'Outstanding Export Performance' under the Dyes, Dye Intermediates and Pigment Panel by Export Promotion Council - Chemexcil, Government of India on 6 <sup>th</sup> January, 2011.
(4)	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
(5)	Remuneration proposed	Rs. 5,15,000/- 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 a promoter of the Company, however is not related to any other director or KMP of the Company.

<b>B. Dr. Shiv Nath Sahai</b>		
(1)	Background details	Dr. Shiv Nath Sahai, aged 73 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. 70,000/- per month.
(6)	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Except receiving remuneration as Whole-Time Director & CFO, Dr. Sahai does not have any other direct or indirect pecuniary relationship with the Company. No relationship with any other Director or Key Managerial Personnel of the Company.
<b>III. Other information</b>		
(1)	Reasons of loss or inadequate profits	Due to unfavorable market conditions the Company could not achieve high levels of profits.
(2)	Steps taken or proposed to be taken for improvement	The Company has taken cost cutting measures to improve profitability.
(3)	Expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profits by improved margins in future.

**By Order of the Board of Directors**

**Place: Mumbai**  
**Date: 14<sup>th</sup> August, 2018**  
**Registered Office:**  
**102, Andheri Industrial Estate,**  
**Off. Veera Desai Road,**  
**Andheri (West), Mumbai – 400 053.**

**Rishika Puri**  
**Company Secretary and Compliance Officer**  
**Membership No.: A49818**



## DIRECTORS' REPORT

To the Members,

### Vipul Organics Limited

Your Directors are pleased to present herewith 46<sup>th</sup> Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018.

#### 1. FINANCIAL HIGHLIGHTS

The financial highlights for the year under review compared to the previous financial year are given herein below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
<b>Revenue from Operations</b>	7959.08	5799.32	7939.99	5814.57
Other Income	134.85	55.49	69.71	55.49
<b>Total Revenue</b>	<b>8093.93</b>	<b>5854.81</b>	<b>8009.69</b>	<b>5870.06</b>
Total expenses (excluding Interest, Depreciation and Taxes)	7596.73	5481.89	7509.98	5490.75
<b>Profit before Interest, Depreciation and Taxes</b>	<b>497.20</b>	<b>372.92</b>	<b>499.71</b>	<b>379.31</b>
Less: Interest	90.17	61.20	90.17	61.34
Less: Depreciation	67.66	75.00	70.35	78.28
<b>Profit Before Tax</b>	<b>339.37</b>	<b>236.72</b>	<b>339.19</b>	<b>239.69</b>
<b>Less: Provision for Tax</b>	<b>112.82</b>	<b>77.93</b>	<b>115.01</b>	<b>77.71</b>
<b>Profit After Tax</b>	<b>226.55</b>	<b>158.79</b>	<b>224.18</b>	<b>161.98</b>
<b>Other Comprehensive Income / Loss (Net of Tax)</b>	-	-	-	-
<b>Total Comprehensive income attributable to : Non-Controlling interest</b>	<b>N.A.</b>	<b>N.A.</b>	(1.04)	(0.22)
<b>Total Comprehensive income attributable to Owners of equity</b>	<b>N.A.</b>	<b>N.A.</b>	225.22	162.20
<b>Total Comprehensive Income (Net of Tax)</b>	<b>226.55</b>	<b>158.79</b>	<b>224.18</b>	<b>161.98</b>

#### 2. ADOPTION OF INDAS:

The Company has adopted the Indian Accounting Standard ('Ind AS') w.e.f. 1<sup>st</sup> April, 2017 with a transition date of 1<sup>st</sup> April 2016. These financial statements have been prepared in accordance with the recognition and measurement principles stated therein and as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Accordingly, the previous year figures are recasted/reclassified to make them Ind AS compliant.

#### 3. RESULTS OF OPERATIONS

The performance of the Company showed a substantial improvement during the year under review. The Company has earned total revenue of Rs. 8093.93 Lakhs (previous year Rs. 5854.81 Lakhs) and Net Profit after Tax of Rs. 226.55 Lakhs (previous year Rs. 158.79 Lakhs).

The Company has earned consolidated revenue of Rs. 8009.69 Lakhs (previous year Rs. 5870.06 Lakhs) and consolidated Net Profit After Tax of Rs. 224.18 Lakhs (previous year Rs. 161.98), during the year under review.

At the industrial plot of 10,000 sq. mts. with GIDC, Dahej, Company intends to manufacture pigment and pigment intermediates. Environment clearance shall be obtained along with necessary approval from the Pollution Board.

There was no change in the nature of business of the Company during the year under review. Similarly, there have been no material changes and commitments affecting the financial position of the Company between the end of the Company's financial year to which the financial statements relate and upto the date of this report.

#### 4. SHARE CAPITAL

Pursuant to the shareholders' approval obtained at the Extra Ordinary General Meeting held on 13<sup>th</sup> June, 2016, the Company on 6<sup>th</sup> 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 only) each within a period of 18 months from the date of their issue.

The Company had issued and allotted 7,90,000 Equity Shares of Rs. 10/- (Rupees Ten only) each, fully paid-up, upon conversion of equal number of warrants issued on preferential basis at an Issue Price of Rs. 40/- (Rupees Forty only) per share (including premium of Rs. 30/- per share) on 30<sup>th</sup> March, 2017.

On 5<sup>th</sup> August, 2017 and 3<sup>rd</sup> January, 2018, the Company issued and allotted 2,00,000 and 12,60,000 Equity Shares respectively of Rs. 10/- (Rupees Ten only) each, fully paid-up, upon conversion of equal number of warrants issued on preferential basis at an Issue Price of Rs. 40/- (Rupees Forty only) per share (including premium of Rs. 30/- per share).

As on 31<sup>st</sup> March, 2018, the issued, subscribed and paid-up Equity Share capital of the Company stood at Rs. 7,72,45,000/- comprising of 77,24,500 Equity Shares of Rs. 10/- (Rupees Ten only) each.

## **5. AMALGAMATION**

On 2<sup>nd</sup> May, 2017, on recommendation of 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, the Board of Directors of your Company, considered and approved the Scheme of Amalgamation of Efferchem Private Limited (Transferor Company) with the Company. The appointed date is 1<sup>st</sup> 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.

The Company has filed necessary application for seeking approval of the BSE Ltd. and the Securities Exchange Board of India for the proposed amalgamation, and the approvals are awaited.

## **6. DIVIDEND & RESERVES**

Your Directors have the pleasure in recommending payment of dividend Re. 0.80 (Eighty Paise only) being 8% per share on Equity Share of Rs. 10/- for the year ended 31<sup>st</sup> March, 2018. This will absorb total cash outflow of Rs. 74,37,613/- (previous year Rs. 60,31,837/-) including Corporate Dividend Distribution Tax of Rs. 12,58,012/- (previous year Rs. 10,20,236/-).

During the year, the Company has not transferred any amount to the General Reserve.

## **7. DEPOSITS**

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

## **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**

### **I. Retirement by Rotation:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Vipul P. Shah (DIN: 00181636), 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.

### **II. Appointment:**

- The Board of Directors of the Company appointed Ms. Rishika Puri (Membership No. A49818) as the Company Secretary and Compliance Officer of the Company w.e.f. 22<sup>nd</sup> May, 2017 upon resignation of Ms. Mitali Shah on 22<sup>nd</sup> May, 2017.
- Pursuant to provisions of Section 149 of the Companies Act, 2013 and applicable rules made thereunder Mr. Prasannakumar B. Gawde (DIN.: 01456510) and Mr. Jagdeep Y. Mehta (DIN: 00332523) were appointed as Independent Directors of the Company for a period of 5 consecutive years w.e.f. 1<sup>st</sup> April, 2014 and their tenure as Independent Directors ends on 31<sup>st</sup> March, 2019. Further, Mrs. Trupti H. Shah (DIN: 06884295) was appointed as an Independent Director for a period of 5 consecutive years w.e.f. 1<sup>st</sup> June, 2014 and her tenure ends on 31<sup>st</sup> May, 2019.

According to the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013 (the Act) an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong performance of Mr. Prasannakumar B. Gawde, Mr. Jagdeep Y. Mehta and Mrs. Trupti H. Shah at Board level, it is proposed to re-appoint them as independent Directors on the Board of the Company for a second term of five years. They have given declarations pursuant to the provisions of Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, your Directors recommend their re-appointment as Independent Directors for a further period of 5 consecutive years.

The Board of Directors of the Company, in its meeting held on 14<sup>th</sup> August, 2018 re-appointed Dr. Shiv Nath Sahai (DIN: 00332652) as the Whole-Time Director (designated as Whole-Time Director & CFO) of the Company for a period of one year w.e.f. 1<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2019, subject to approval of the shareholders at the 46<sup>th</sup> Annual General Meeting of the Company. Your Directors recommend his re-appointment.

Pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI), brief details of the Directors proposed to be re-appointed are provided in Notice of 46<sup>th</sup> Annual General Meeting of the Company.

### III. Cessation:

Ms. Mitali Shah, Company Secretary and Compliance Officer of the Company resigned from the services of the Company on 22<sup>nd</sup> May, 2017. The Board places on record its sincere appreciation for her hard work during her tenure in the Company.

#### a) 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.

#### b) 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 committees. The Board has devised questionnaire to evaluate the performances of each of the executive, non-executive and Independent Directors. Such questions are prepared considering the business of the Company and 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 14<sup>th</sup> February, 2018 for evaluation of performance of non-independent Directors, the Board as a whole. However due to sad demise of Late Mr. P. B. Shah, Chairman of the Company on 13<sup>th</sup> February, 2018, his performance evaluation was not done.

#### c) Key Managerial Personnel (KMP):

Sr. No.	Name of the KMP	Designation
1.	Mr. Vipul P. Shah	Managing Director
2.	Dr. Shiv Nath Sahai	Whole-Time Director & CFO
3.	Ms. Mitali Shah	Company Secretary and Compliance Officer (resigned on 22 <sup>nd</sup> May, 2017)
4.	Ms. Rishika Puri	Company Secretary and Compliance Officer (w.e.f. 22 <sup>nd</sup> May, 2017)



**10. 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 10 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.

**11. AUDIT COMMITTEE AND ITS COMPOSITION**

As on 31<sup>st</sup> March, 2018, the Audit Committee comprised of Mr. Prasannakumar B. Gawde, Mr. Jagdeep Y. Mehta, Independent Directors and Mr. Vipul P. Shah, Managing Director of the Company. Mr. Prasannakumar B. Gawde is the Chairman of Audit Committee of the Company. Company Secretary acts as the Secretary of the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

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.

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- b. the Directors had 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 31<sup>st</sup> March, 2018 and of the profit of the Company for the year under review;
- c. the Directors had 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 fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**13. 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>.

**14. 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 2017-18, no employee or Director was denied access to the Audit Committee.

**15. 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.

**16. 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.

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of loans, guarantee or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year 2017-18 are given under Notes to Accounts of financial statements.

**18. 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 significant or material 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.

**19. STATUTORY AUDITORS**

As per provisions of the Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in their 45<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 appointed M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai (having FRN: 105487W), as Statutory Auditors of the Company for a term of 5 consecutive years i.e. to hold office from the conclusion of 45<sup>th</sup> Annual General Meeting till the conclusion of 50<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March, 2022, subject to the ratification by members of the Company every year.

However, the aforesaid Section 139 is amended by the Companies (Amendment) Act, 2017 w.e.f. 7<sup>th</sup> May, 2018 and as per amended section, the appointment of auditors is no more required to be ratified every year in Annual General Meeting. Accordingly, the ratification of appointment of M/s. R. A. Kuvadia & Co., Chartered Accountants, as Statutory Auditors of the Company is no more required and they will hold office upto the conclusion of 50<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ending on 31<sup>st</sup> March, 2022.

M/s. R. A. Kuvadia & Co., Chartered Accountants has furnished written confirmation to the effect that they are not disqualified from acting as the Statutory Auditors of the Company in terms of the provisions of Section 139 and 141 of the Companies Act, 2013 and Rules framed thereunder.

**20. 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 2017-18. The Secretarial Audit Report is appended as **Annexure – II** and forms a part of this Annual Report.

**21. INTERNAL AUDITORS**

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

**22. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

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

With respect to observations made by the Secretarial Auditors in their report, we would like to state that delay in filing of form with Registrar of Companies (ROC) was inadvertent.

**23. 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.

**24. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and 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.

**25. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and your directors confirm compliance of the same during the year under review.

**26. SUBSIDIARY COMPANY, JOINT VENTURES AND ASSOCIATE COMPANIES**

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** and forms a part of this Annual Report.

**27. CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statements consolidating financial statements of its subsidiary company namely "Shree Ambika Naturals Private Limited" with its financial statements in accordance with the applicable provisions of Indian Accounting Standards ("IndAS").

The Consolidated Financial Statements along with the Independent Auditors' Report thereon is annexed and form part of this Report.

The summarised consolidated financial position is provided above in point no. 1 of this Report.

**28. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT**

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

**29. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the said Rules, the shares on which dividend remained unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred corresponding shares to the demat account of the IEPF Authority as per the requirements of the IEPF rules for the dividend remained unclaimed/unpaid upto the financial year 2009-10.

**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 wish to place on record their deep sense of appreciation for the valuable services and the contribution made by the Company's employees at all levels for their continual growth and prosperity of the Company. The industrial relations continued to be cordial during the year.

The Directors also wish to place on record its appreciation for the continued co-operation and assistance received by the Company from its Customers, Vendors, Shareholders, Financial Institutions, Bankers, Business Associates & Government Authorities during the year under review.

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

**Place: Mumbai**  
**Date: 14<sup>th</sup> August, 2018**

**Vipul P. Shah**  
**Managing Director**  
**DIN: 00181636**

**Dr. Shiv Nath Sahai**  
**Whole-Time Director & CFO**  
**DIN: 00332652**

**Annexure I**  
**Form No. MGT-9**  
**Extract of Annual Return**

(As on the financial year ended on March 31, 2018)

[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 400053 <b>Tel.:</b> 022-66139999, <b>Fax.:</b> 022-66139977 <b>Email:</b> <a href="mailto:companysecretary@vipulorganics.com">companysecretary@vipulorganics.com</a> <b>Website:</b> <a href="http://www.vipulorganics.com">www.vipulorganics.com</a>
6.	Whether Listed Company (Yes/No)	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Bigshare Services Pvt. Ltd,</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartment (Next to Keys Hotel) Makwana Road, Marol, Andheri (East), Mumbai 400059 <b>Tel.:</b> +91-22-62638200, <b>Fax:</b> +91-22-62638299 <b>Email:</b> <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

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

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Fast Base	2411	26.00
2.	Reactive Dyes	2411	17.00
3.	Pigment	2411	28.00

**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	<b>Shree Ambika Naturals Private Limited</b> <b>Address:</b> 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai – 400053	U24200MH1988PTC049982	Subsidiary	56.04% of Equity shares & 100% of 1.5% Non-cumulative Optionally Convertible Preference Shares	2(87)



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Categorywise shareholding**

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	36,10,100	0	36,10,000	57.63	42,10,100	0	42,10,100	54.50	3.13
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):-	36,10,100	0	36,10,100	57.63	42,10,100	0	42,10,100	54.50	3.13
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)	36,10,100	0	36,10,100	57.63	42,10,100	0	42,10,100	54.50	3.13
B. Public									
1. Institution									
a. Mutual Funds	0	22,700	22,700	0.36	0	19,600	19,600	0.25	0.11
b. Bank/FI	0	0	0	0	0	0	0	0	0
c. Cent. Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	0	0	0	0	0	0	0	0
f. Insurance Co.	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign 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	0.36	0	19,600	19,600	0.25	0.11
2. Non-Institutions									
a. Body Corporate	3,31,648	28,400	3,60,048	5.75	3,88,286	28,200	4,16,486	5.39	0.36
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 1 lakh	6,81,936	3,02,040	9,83,976	15.71	6,14,276	2,18,830	8,33,106	10.79	4.92
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12,18,986	0	12,18,986	19.46	21,18,273	0	21,18,273	27.42	7.96
c. Others	0	0	0	0	0	0	0	0	0
i) Non Resident Indian(NRI)	2,300	27,400	29,700	0.47	33	17,300	17,333	0.22	0.25
ii) NRI Repatriation	5,395	0	5,395	0.09	4,541	0	4,541	0.06	0.03
iii) NRI Non Repatriation	2,603	0	2,603	0.04	1,450	0	1,450	0.02	0.02
iv)Clearing Member	30,992	0	30,992	0.50	6,361	0	6,361	0.09	0.41
h. IEPF	0	0	0	0	97,250	0	97,250	1.26	1.26
Sub-total B (2)	22,73,860	3,57,840	26,31,700	42.01	32,30,470	2,64,330	34,94,800	45.24	3.23
Total Public Shareholding (B)=(B1+B2)	22,73,860	3,80,540	26,54,400	42.37	32,30,470	2,83,930	35,14,400	45.50	3.13
C. Shares held by Custodians for GDR's and ADRs	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	58.83.960	3.80.540	62.64.500	100	74.40.570	2.83.930	77.24.500	100	

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	10,60,600	16.93	0	11,60,600	15.03	0	(1.90)
2	Mr. Vipul Pravinchandra Shah	8,26,100	13.19	0	9,26,100	11.99	0	(1.20)
3	Vipul P. Shah (HUF)	2,50,000	3.99	0	2,50,000	3.24	0	(0.75)
4	Mr. Pravinchandra Babubhai Shah	2,47,100	3.94	0	2,47,100	3.20	0	(0.74)
5	Mrs. Mita Vipul Shah	3,39,500	5.42	0	4,39,500	5.69	0	0.27
6	Mrs. Kavita P. Shah	50,750	0.81	0	50,750	0.66	0	(0.15)
7	Mr. Vatsal V. Shah	5,86,050	9.36	0	6,86,050	8.88	0	(0.48)
8	Mrs. Jaya P. Shah	2,50,000	3.99	0	4,50,000	5.83	0	1.84
	<b>Total</b>	<b>36,10,100</b>	<b>57.63</b>	<b>0</b>	<b>42,10,100</b>	<b>54.52</b>	<b>0</b>	<b>(3.11)</b>

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
<b>1.</b>	<b>Mr. MihirVipul Shah</b>				
A	At the beginning of year	10,60,600	16.93	-	-
B	Changes during the year				
	Add: Allotment on 03.01.2018 upon conversion of warrants	1,00,000	1.55		
C	At the end of year	-	-	11,60,600	<b>15.03</b>
<b>2.</b>	<b>Mr. Vipul Pravinchandra Shah</b>				
A	At the beginning of year	8,26,100	13.19	-	-
B	Changes during the year				
	Add: Allotment on 03.01.2018 upon conversion of warrants	1,00,000	1.55		
C	At the end of year	-	-	9,26,100	<b>11.99</b>
<b>3.</b>	<b>Vipul P. Shah (HUF)</b>				
A	At the beginning of year	2,50,000	3.99	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	2,50,000	<b>3.24</b>
<b>4.</b>	<b>Mr. Pravinchandra Babubhai Shah</b>				
A	At the beginning of year	2,47,100	3.94	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	2,47,100	<b>3.20</b>
<b>5.</b>	<b>Mrs. Mita Vipul Shah</b>				
A	At the beginning of year	3,39,500	5.42	-	-
B	Changes during the year				
	Add: Allotment on 03.01.2018 upon conversion of warrants	1,00,000	1.55		
C	At the end of year	-	-	4,39,500	<b>5.69</b>
<b>6.</b>	<b>Mrs. Kavita P. Shah</b>				
A	At the beginning of year	50,750	0.81	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	50,750	<b>0.66</b>

Sr. No	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>7.</b>	<b>Mr. Vatsal V. Shah</b>				
A	At the beginning of year	5,86,050	9.36	-	-
B	Change during the year				
	Add: Allotment on 03.01.2018 upon conversion of warrants	1,00,000	1.55	-	-
C	At the end of year	-	-	6,86,050	<b>8.88</b>
<b>8.</b>	<b>Mrs. Jaya P. Shah</b>				
A	At the beginning of year	2,50,000	3.99		
B	Change during the year				
	Add: Allotment on 03.01.2018 upon conversion of warrants	2,00,000	3.09		
C	At the end of year	-	-	4,50,000	<b>5.83</b>

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
<b>1.</b>	<b>Mr. Kishor Ostwal</b>				
	A. At the beginning of the year	<b>0</b>	<b>0</b>		
	B. Changes during the year				
	04.08.2017 - Purchase	100000	1.60	100000	
	05.01.2018 - Purchase	250000	3.24	350000	
	C. At the end of the year			<b>350000</b>	<b>4.53</b>
<b>2.</b>	<b>Mr. Manoj Mittal</b>				
	A. At the beginning of the year	<b>32728</b>	<b>0.52</b>		
	B. Changes during the year				
	04.08.2017 - Purchase	100000	1.60	132728	
	05.01.2018 - Purchase	250000	3.24	382728	
	C. At the end of the year			<b>382728</b>	<b>4.95</b>
<b>3.</b>	<b>Dr. Ramesh Chimanlal Shah</b>				
	A. At the beginning of the year				
	B. Changes during the year	138277	2.21		
	07.04.2017 - Sale	(915)	0.01	137362	2.19
	14.04.2017 - Sale	(181)	0.00	137181	2.19
	21.04.2017 - Sale	(1931)	0.03	135250	2.16
	28.04.2017 - Sale	(1292)	0.02	133958	2.14
	05.05.2017 - Sale	(150)	0.00	133808	2.14
	12.05.2017 - Sale	(2000)	0.03	131808	2.10
	19.05.2017 - Sale	(100)	0.00	131708	2.10
	02.06.2017 - Sale	(1403)	0.02	130305	2.08
	09.06.2017 - Sale	(866)	0.01	129439	2.07
	16.06.2017 - Sale	(1300)	0.02	128139	2.05
	23.06.2017 - Sale	(700)	0.01	127439	2.03
	30.06.2017 - Sale	(413)	0.01	127026	2.03
	07.07.2017 - Sale	(1114)	0.02	125912	2.01
	14.07.2017 - Sale	(75912)	1.21	50000	0.80
	01.09.2017 - Sale	(518)	0.01	49482	0.77
	08.09.2017 - Sale	(532)	0.01	48950	0.76
	15.09.2017 - Sale	(7072)	0.11	41878	0.65
	22.09.2017 - Sale	(25191)	0.39	16687	0.26
	29.09.2017 - Sale	(1104)	0.02	15583	0.24
	06.10.2017 - Sale	(50)	0.00	15533	0.24
	13.10.2017 - Sale	(2136)	0.03	13397	0.21
	20.10.2017 - Sale	(100)	0.00	13297	0.21

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
	27.10.2017 - Sale	(875)	0.01	12422	0.19
	31.10.2017 - Sale	(77)	0.00	12345	0.19
	03.11.2017 - Sale	(209)	0.00	12136	0.19
	10.11.2017 - Sale	(3849)	0.06	8287	0.13
	17.11.2017 - Sale	(210)	0.00	8077	0.13
	24.11.2017 - Sale	(8077)	0.13	0	0
	C. At the end of the year			<b>0</b>	<b>0.00</b>
<b>4.</b>	<b>CNI Research Limited</b>				
	A. At the beginning of the year	<b>40300</b>	<b>0.64</b>		
	B. Changes during the year				
	26.05.2017 - Purchase	6000	0.10	46300	0.74
	02.06.2017 - Purchase	2500	0.04	48800	0.78
	23.06.2017 - Purchase	15700	0.25	64500	1.03
	25.08.2017 - Purchase	3000	0.05	67500	1.04
	10.11.2017 - Purchase	2582	0.04	70082	1.08
	24.11.2017 - Purchase	8500	0.13	78582	1.22
	01.12.2017 - Purchase	1000	0.02	79582	1.22
	08.12.2017 - Purchase	24000	0.37	103582	1.60
	15.12.2017 - Sale	(2700)	0.04	100882	1.56
	05.01.2018 - Purchase	728	0.01	101610	1.32
	02.03.2018 - Sale	(20000)	0.26	81610	1.06
	09.03.2018 - Purchase	20000	0.26	101610	1.32
	16.03.2018 - Sale	(25000)	0.32	76610	0.99
	23.03.2018 - Purchase	25000	0.32	101610	1.32
	30.03.2018 - Purchase	30000	0.39	131610	1.70
	C. At the end of the year			<b>131610</b>	<b>1.70</b>
<b>5.</b>	<b>Mr. Pranay Rajesh Shah</b>				
	A. At the beginning of the year	<b>90000</b>	<b>1.44</b>		
	B. Changes during the year		No change during the year		
	C. At the end of the year			<b>90000</b>	<b>1.17</b>
<b>6.</b>	<b>Mr. Yash Pradip Vasa</b>				
	A. At the beginning of the year	<b>84650</b>	<b>1.35</b>		
	B. Changes during the year				
	13.10.2017 - Sale	(84650)	1.29	(84650)	1.29
	C. At the end of the year			<b>0</b>	<b>0</b>
<b>7.</b>	<b>Investors Education and Protection Fund authority*</b>				
	A. At the beginning of the year	<b>0</b>	<b>0.00</b>		
	B. Changes during the year				
	08.01.2018- transferred to IEPF	97250	1.26		
	D. At the end of the year			<b>97250</b>	<b>1.26</b>
<b>8.</b>	<b>Mr. Mehul Shah</b>				
	A. At the beginning of the year	<b>0</b>	<b>0.00</b>		
	B. Changes during the year				
	13.10.2017 - Purchase	83650	1.29	83650	1.29
	C. At the end of the year			<b>83650</b>	<b>1.08</b>
<b>9.</b>	<b>Tecknopoint Mercantile Co Private Limited</b>				
	A. At the beginning of the year	<b>75200</b>	<b>1.20</b>		
	B. Change during the year				
	07.04.2017 - Sale	(17400)	0.28	57800	0.92
	14.04.2017 - Sale	(31500)	0.50	26300	0.42
	21.04.2017 - Sale	(16500)	0.26	9800	0.16
	28.04.2017 - Sale	(9800)	0.16	0	0
	30.03.2018 - Purchase	82484	1.07	82484	1.07
	C. At the end of the year			<b>82484</b>	<b>1.07</b>



Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>10.</b>	<b>Mr. Rajesh Chandrakant Shah</b>				
	A. At the beginning of the year	<b>73500</b>	<b>1.17</b>		
	B. Changes during the year				
	12.01.2018 - Sale	(23500)	0.30	50000	0.64
	C. At the end of the year			<b>50000</b>	<b>0.64</b>
<b>11.</b>	<b>Shalibhadra Jayantilal Varaiya (HUF)</b>				
	A. At the beginning of the year	<b>72000</b>	<b>1.15</b>		
	B. Changes during the year	No change during the year			
	C. At the end of the year			<b>72000</b>	<b>0.93</b>
<b>12.</b>	<b>Ms. Aarti Bhupat Shah</b>				
	A. At the beginning of the year	<b>68220</b>	<b>1.09</b>		
	B. Changes during the year	No change during the year			
	C. At the end of the year			<b>68220</b>	<b>0.89</b>
<b>13.</b>	<b>Gedalia Multitrading Private Limited</b>				
	A. At the beginning of the year	<b>60715</b>	<b>0.80</b>		
	B. Changes during the year				
	07.04.2017 - Sale	(715)	0.01	60000	0.96
	14.04.2017 - Purchase	1249	0.12	61249	0.98
	21.04.2017 - Purchase	4288	0.07	65537	1.05
	28.04.2017 - Purchase	12080	0.19	77617	1.24
	05.05.2017 - Sale	(3094)	0.05	74523	1.19
	12.05.2017 - Purchase	3163	0.05	77686	1.24
	19.05.2017 - Sale	(22007)	0.35	55679	0.89
	26.05.2017 - Purchase	677	0.01	56356	1.38
	02.06.2017 - Purchase	3624	0.06	59980	0.96
	09.06.2017 - Sale	(18220)	0.29	41760	0.67
	16.06.2017 - Sale	(10930)	0.17	30830	0.49
	23.06.2017 - Sale	(27293)	0.44	3537	0.06
	30.06.2017 - Sale	(3537)	0.06	0	0.00
	04.08.2017 - Purchase	1	0.00	1	0.00
	11.08.2017 - Purchase	4	0.00	5	0.00
	18.08.2017 - Sale	(5)	0.00	0	0.00
	01.09.2017 - Purchase	202	0.00	202	0.00
	08.09.2017 - Sale	(202)	0.00	0	0.00
	22.09.2017 - Purchase	17	0.00	17	0.00
	29.09.2017 - Sale	(17)	0.00	0	0.00
	06.10.2017 - Purchase	69	0.00	69	0.00
	13.10.2017 - Purchase	1888	0.03	1957	0.03
	20.10.2017 - Purchase	1618	0.03	3575	0.05
	27.10.2017 - Purchase	3615	0.06	7190	0.11
	31.10.2017 - Purchase	361	0.01	7551	0.12
	03.11.2017 - Purchase	3149	0.05	10700	0.17
	10.11.2017 - Purchase	9969	0.15	20669	0.32
	17.11.2017 - Purchase	4643	0.07	25312	0.39
	24.11.2017 - Sale	(25312)	0.39	0	0.00
	01.12.2017 - Purchase	461	0.01	461	0.01
	08.12.2017 - Sale	(460)	0.01	1	0.00
	15.12.2017 - Purchase	4880	0.08	4881	0.08
	22.12.2017 - Sale	(4881)	0.08	0	0.00
	29.12.2017 - Purchase	8045	0.12	8045	0.12
	05.01.2018 - Sale	(785)	0.01	7260	0.09
	12.01.2018 - Purchase	21455	0.28	28715	0.37
	19.01.2018 - Purchase	686	0.01	29401	0.38
	26.01.2018 - Purchase	13452	0.17	42853	0.56
	02.02.2018 - Sale	(4823)	0.06	38030	0.49

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
	09.02.2018 - Purchase	13439	0.17	51469	6.66
	16.02.2018 - Sale	(803)	0.01	50666	0.66
	23.02.2018 - Purchase	4761	0.06	55427	0.72
	02.03.2018 - Sale	(8569)	0.11	46858	0.61
	09.03.2018 - Purchase	4204	0.05	51062	0.66
	16.03.2018 - Sale	(2036)	0.03	49026	0.63
	23.03.2018 - Purchase	6612	0.09	55638	0.72
	30.03.2018 - Purchase	12541	0.16	68179	0.88
	C. At the end of the year			<b>68179</b>	<b>0.88</b>
<b>14.</b>	<b>Mr. Hiten Ramniklal Shah</b>				
	A. At the beginning of the year	<b>54138</b>	<b>0.86</b>		
	B. Changes during the year	No change during the year			
	C. At the end of the year			<b>54138</b>	<b>0.70</b>
<b>15.</b>	<b>Mr. Haribhai Bhikhabhai Patel</b>				
	A. At the beginning of the year	<b>43500</b>	<b>0.69</b>		
	B. Changes during the year	No change during the year			
	C. At the end of the year			<b>43500</b>	<b>0.56</b>

\*As required under Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 these shares were transferred to DEMAT Account of the IEPF Authority.

**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
<b>1.</b>	<b>Mr. Vipul Pravinchandra Shah</b>				
A	At the beginning of the year	8,26,100	13.19		
B	Changes during the year				
	Add: Allotment on 03.01.2018 upon conversion of warrants	1,00,000	1.55	9,26,100	11.99
C	At the end of year			9,26,100	11.99
<b>2.</b>	<b>Mr. Pravinchandra Babulal Shah</b>				
A	At the beginning of the year	2,47,100	3.94		
B	Changes during the year	No Change during the year			
C	At the end of year			2,47,100	3.20

**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
<b>Indebtedness at the beginning of the financial year 01.04.2017</b>				
1) Principal Amount	104535821.00	6716861	-	104535821.00
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>104535821.00</b>	<b>6716861</b>	<b>-</b>	<b>104535821.00</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	1800338820.00		-	1800338820.00
-Reduction	1716962249.00		-	1716962249.00
Net change	83376571.00		-	83376571.00

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year 31.03.2018</b>				
1) Principal Amount	187912392.00		-	187912392.00
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>187912392.00</b>	<b>-</b>	<b>-</b>	<b>187912392.00</b>

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

(Amount in Rs.)

Sr. No	Particulars of Remuneration	Name of MD/WTM/Manager		Total
		Mr. Vipul Pravinchandra Shah	Dr. Shiv Nath Sahai	
		Managing Director	Whole-time Director & CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	51,60,000	7,60,000	59,20,000
	(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	-	-	-
	<b>Total (A)</b>	<b>51,60,000</b>	<b>7,60,000</b>	<b>59,20,000</b>
	Ceiling as per the Act	Rs. 22.65 Lakhs (10% of Net Profit of the Company) or Rs. 168 Lakhs, whichever is higher		

**B. Remuneration of other directors:**

(Amount in Rs.)

Sr. No	Particulars of Remuneration	Name of Directors			Total
1	<b>Independent Directors</b>	<b>Mr. Jagdeep Y. Mehta</b>	<b>Mr. Prasannakumar B. Gawde</b>	<b>Mrs. Trupti H. Shah</b>	
	- Fee for attending board committee meetings	64,000	89,000	49,000	2,02,000
	- Commission	-	-	-	-
	- Others	-	-	-	-
	<b>Total (1)</b>	<b>64,000</b>	<b>89,000</b>	<b>49,000</b>	<b>2,02,000</b>
2	<b>Other Non Executive Directors</b>	<b>Mr. Pravinchandra B. Shah</b>			
	- Fee for attending board committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	Total (B)= (1+2)	-	-	-	<b>2,02,000</b>
	Total Managerial Remuneration	-	-	-	<b>59,20,000</b>
	Overall Ceiling as per the Act	Rs. 22.65 Lakhs (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	Name of Key Managerial Personnel	Total Amount (in Rs.)
		Ms. Mitali K. Shah Company Secretary	Ms. Rishika Puri Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	60,867	3,40,067	4,00,934
	(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	-		-
	<b>Total (A)</b>	<b>60,867</b>	<b>3,40,067</b>	<b>4,00,934</b>

**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)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2018

Vipul P. Shah  
Managing Director  
DIN: 00181636

Dr. Shiv Nath Sahai  
Whole-Time Director & CFO  
DIN: 00332652



**Annexure II**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018**

*[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** (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 31<sup>st</sup> March, 2018 ('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 31<sup>st</sup> March, 2018 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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except *delay in filling of e-form with the Registrar of Companies*.

**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 notice 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) On 2<sup>nd</sup> May, 2017 the Board of Directors of the Company, 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, approved the Scheme of Amalgamation of Efferchem Private Limited (Transferor Company) with the Company.
- (b) On 5<sup>th</sup> August, 2017, the Company has issued and allotted 2,00,000 Equity Shares of Rs.10/- each upon conversion of 2,00,000 warrants on preferential basis; and
- (c) On 3<sup>rd</sup> January, 2018, the Company has issued and allotted 12,60,000 Equity Shares of Rs.10/- each upon conversion of 12,60,000 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: 14<sup>th</sup> August, 2018**

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

**CS Manish Baldeva**  
Proprietor

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

**Place : Thane**

**Date: 14<sup>th</sup> August, 2018**

## ANNEXURE III

### Form AOC-1

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

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

##### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. '000)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	<b>Shree Ambika Naturals Private Limited</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	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 & surplus	(2833.346)
6.	Total assets	8955.073
7.	Total Liabilities	(1333.400)
8.	Investments	0
9.	Turnover	8163.030
10.	Profit before taxation	(18.51)
11.	Provision for taxation	218.98
12.	Profit after taxation	(237.49)
13.	Proposed Dividend	0
14.	% of shareholding	56.04% of Equity Shares and 100% of 1.5% Non Cumulative Optionally Convertible Preference Shares

#### Notes:

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

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

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

For and on behalf of the Board of Directors

Vipul Organics Limited

Place: Mumbai

Date: 14<sup>th</sup> August, 2018

Vipul P. Shah  
Managing Director  
DIN: 00181636

Dr. Shiv Nath Sahai  
Whole-Time Director & CFO  
DIN: 00332652

## 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	24.47
2	Dr. Shiv Nath Sahai	3.56
(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	12.00
2	Dr. Shiv Nath Sahai	14.00
(iii)	The number of permanent employees on the rolls of the company	62
(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 27.91% and managerial personnel is 14.41%.
We hereby confirmed that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the company.		

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

- (i) Details of top ten 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 (In Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid (p.a.)	Previous Employment & Designation
Mr. Vipul P. Shah	Managing Director	BE. Chem.	52	30	21 <sup>st</sup> June, 1992	51,60,000	-
Dr. Shiv Nath Sahai	Whole-Time Director & CFO	Ph.D.	73	38	1 <sup>st</sup> April, 1983	7,60,000	Amar Dyechem as General Manager
Mrs. Mita V. Shah	President	B.Com.	50	9	1 <sup>st</sup> July, 2013	7,00,000	Ganesh Tiles & Marbles Industries as Executive
Mr. Mihir V. Shah	Vice President	MBA (Pharmaceutical)	26	2	4 <sup>th</sup> May, 2015	13,90,000	-
Mr. Amit Chavan	Manager – International Marketing	MBA (International Business)	40	19	16 <sup>th</sup> November, 2015	10,92,400	Navneet Education Ltd. as Senior Business Development Manager



Employees' Name	Designation	Educational Qualifications	Age (In Years)	Experience (In Years)	Date of Employment	Gross Remuneration Paid (p.a.)	Previous Employment & Designation
Ms. Dipti Mehta	General Manager - Procurement	Graduate	56	37	10 <sup>th</sup> December, 2010	7,30,000	Jayshree Chemicals as Purchase Executive
Mr. Rajesh Prajapati	Senior Production Chemist	B.Sc.	48	22	1 <sup>st</sup> June, 2014	8,07,333	Bajaj Organics as Lab Chemist
Mr. K.S. Gavle	Production Manager	B.Sc.	65	44	9 <sup>th</sup> February, 1984	11,40,000	Onsar Chem Pvt. Ltd. as Manager
Mr. Sundeep Asaldekar	General Manager - Operations	Mechanical Engineering	46	28	7 <sup>th</sup> November, 2016	6,11,567	Dextra Group as Deputy General Manager
Mr. Bharat G. Patel	Production Chemist	B.Sc.	59	34	1 <sup>st</sup> September, 2012	6,10,000	BB Chemicals as Production Chemist

**Notes:**

- All appointments are permanent except Executive Directors, 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 V. Shah is the wife of Mr. Vipul P. Shah, Managing Director of the Company
  - Mr. Mihir V. 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.

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

**Place: Mumbai**  
**Date: 14<sup>th</sup> August, 2018**

**Vipul P. Shah**  
**Managing Director**  
**DIN: 00181636**

**Dr. Shiv Nath Sahai**  
**Whole-Time Director & CFO**  
**DIN: 00332652**

## Annexure V

### Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo

<b>A</b>	<b>Conservation of energy</b>		
	(i)	the steps taken or impact on conservation of energy	<p>The Company is conscious about the energy conservation and has kept constant supervision so as to avoid any leakage, stripping, etc. The power meters are also regularly checked. However, the management, wherever possible, shall try to replace machinery which is found defective by upto date innovated machinery, even generating sets are provided and the Company started using diesel oil since last 10 years.</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>B</b>	<b>Technology absorption</b>		
	(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	
<b>C</b>	<b>Foreign exchange earnings and outgo</b>		
			<div>2017-18</div> <div>(Rs. in Lakh)</div>
	(i)	The foreign exchange outgo (actual outflows)	134.99
	(ii)	The foreign exchange earned (actual inflows)	6367.62
			<div>2016-17</div> <div>(Rs. in Lakh)</div>
	(i)	The foreign exchange outgo (actual outflows)	647.39
	(ii)	The foreign exchange earned (actual inflows)	4583.73

For and on behalf of the Board of Directors

Vipul Organics Limited

Place: Mumbai  
Date: 14<sup>th</sup> August, 2018

Vipul P. Shah  
Managing Director  
DIN: 00181636

Dr. Shiv Nath Sahai  
Whole-Time Director & CFO  
DIN: 00332652

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Global Pigment demand:

Pigment industry has been showing signs of growth in recent years. In 2017, it was projected to reach USD 30.45 billion globally. Due to big demand from its industrial coating, pigment market will surpass USD 19 billion in the next 4-5 years (2018-2023).

Pigment industry, like other chemical related industries, has been tremendously influenced by changing consumer trends, environmental regulations, political factors and new technologies. These changes have presented both, challenges and opportunities for future innovation.

Global Pigment market has experienced unprecedented cost increases in key raw materials. This has impacted at all stages of pigment supply chain, from basic chemicals and specialty raw materials.

A huge factor is general lack of raw material availability due to stronger enforcement of environmental and safety regulations globally. Small and medium scale manufacturers of dyes and pigments have started following these trends.

Chinese government imposed closure and production limitations in order to reduce effluent and emissions generated by the chemical industry. This has resulted into a limited availability of pigment intermediates, resulting in price escalations. Pigment pricing is unstable due to poor availability of many raw materials and Chinese Economy is slowing down.

Asia Pacific was the largest regional pigment market so far and is anticipated to maintain global share upto 2024 as the demand for organic pigment is rising around 10% p.a.

#### Dyes-Industry:

Textile dyes market is projected to grow at a CAGR of 6-7% from 2018-23.

These dyes are projected to grow from USD 7.35 billion to USD 9.85 billion between 2018-2023.

The growing demand for textile dyes for various fibres eg. Cotton, viscose, polyester, nylon etc is expected to fuel the growth of dyestuffs in the market.

Stringent environmental regulations may retard the growth for the above period (2018-23). The King cotton is the fastest growing fibre – type segment for textiles dyes.

Market demand for the Dye & Dye Intermediates is expected to grow at CAGR 5-6% to 150,000 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. With changing international strategy, Indian industry is to reduce imports of intermediates. With slowdown in China due to regulatory environment issues, we need to rework at intermediate strategies to ease supplies and control costs of intermediates which are more critical for pigment industry.

**QUALITY CONCERN:** Stringent norms for compliance and toxicological criteria have to be fulfilled as heavy metals, which are reported carcinogenic in nature, are no longer allowed to be used as they have a direct contact with the consumer.

**ENVIRONMENTAL NORMS:** Earlier the norms for environment were very much relaxed as the main focus was on Acidic base of effluent. Over the years there has been a change for the other norms like COD/BOD, heavy metals, Ammonical Nitrogen etc. and these norms are to be controlled judiciously. Industry has to rely on CETP for effluent treatment.

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 & Pigment Industry. The Company is manufacturing Dyestuffs for Textiles, Leather & Paper Industries. Company is also producing Organic Azo Pigments. The production facilities are presently at Palgharand Ambarnath, Maharashtra.

### FUTURE OUTLOOK AND OPPORTUNITIES

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

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

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

## **GROWTH IN PAINTS & COATINGS AND TEXTILES IS EXPECTED TO DRIVE GROWTH OF INDIAN COLORANT MARKET:**

With the upcoming manufacturing plant at Tarapur, Company shall have six times the present capacity of Pigments. Orders for most of the equipments have been placed and machineries have started coming to the factory. Civil work has almost been completed and erection of machinery has commenced. We are quite hopeful to commence operation in the last quarter of 2018. An Industrial land is also acquired at Dahej-Gujarat for the second phase of expansion wherein with the implementation of the production, the Company shall have a very strong position as a top 5 Pigment producer of India.

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

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

The Company is also increasing its presence on pan India basis. Distributors & Dealers are appointed in key areas of Printing Inks & 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.

## **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The Company operates in one segment i.e. Dyestuff, Organic Pigments and Organic Intermediates.

## **RISKS, CONCERNS AND THREATS**

Stringent regulations are enforced to minimize the adverse effect of emissions from Pigment on Health & 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. We continue to work on cost optimization across our new projects to improve efficiencies and optimize and utilize recourses, yielding long term results.

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 9001:2015, 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 & OPERATIONAL PERFORMANCE**

Aggressive growth and focus on export, R&D, marketing alliances, upgradation of manufacturing facility, contract manufacturing have established new markets, new areas, environmental consciousness, cost reduction, etc. to achieve new global standards. Reactives & Dispersed Dyes have been most in demand due to Cotton & 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 31<sup>st</sup> March, 2018, the Company has strength of 62 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

Report on Corporate Governance pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2017-18.

### 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. As on 31<sup>st</sup> March, 2018, the Board comprised of directors. Out of these, two directors are Executive Directors out of which one is a Promoter, three are Non-Executive Independent Directors.

Late Shri. Pravinchandra B. Shah occupied the position of the Chairman of the Company till his unfortunate demise on 13<sup>th</sup> February, 2018. He was a Non-Executive & Non-Independent Director.

The Company complies with the norms prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for constitution of the Board of Directors.

#### 2. Board Procedure:

The agenda is prepared in consultation with the Chairman /Managing Director of the Company 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 requirements, if any and status of complaints, statutory or listing requirements etc.

#### 3. Attendance at the meetings:

During the year under review, the Board of Directors met ten (10) times on 2<sup>nd</sup> May, 2017, 22<sup>nd</sup> May, 2017, 29<sup>th</sup> May, 2017, 19<sup>th</sup> June, 2017, 14<sup>th</sup> July, 2017, 5<sup>th</sup> August, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017, 3<sup>rd</sup> January, 2018 and 14<sup>th</sup> February, 2018. 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 2017-18 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 29 <sup>th</sup> September, 2017	No. of directorship held in other public companies	Committee position in other Companies	
		Held	Attended			Chairman	Member
Late Shri Pravinchandra B. Shah (upto 13 <sup>th</sup> February, 2018)	Promoter, Chairman & Non-Executive	9	9	Present	-	-	-
Mr. Vipul P. Shah	Promoter & Managing Director	10	9	Present	1	-	-
Dr. Shiv Nath Sahai	Whole-Time Director & CFO	10	10	Present	1	-	-
Mr. Jagdeep Y. Mehta	Independent Director	10	8	Absent	-	-	-
Mr. Prasannakumar B. Gawde	Independent Director	10	10	Present	-	-	-
Mrs. Trupti H. Shah	Independent Director	10	8	Present	-	-	-



**Note:**

- a) Directorships in respect of private limited companies, Section 8 companies and foreign companies have not been included.
- b) Position in Audit Committee and Stakeholders' Relationship Committee is considered for the purpose.
- c) 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.
- d) No director is related to any other Director on the Board, except Late Shri Pravinchandra B. Shah and Mr. Vipul P. Shah, who were father and son respectively.
- e) None of non-executive directors hold any shares / convertible securities in the Company.

**4. Directors' 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 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 14<sup>th</sup> February, 2018 to review the performance of Non-Independent Directors 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 last meetings of all the Board and committees for the information of the Board. Agenda papers are circulated seven days prior to the Board Meetings. 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 31<sup>st</sup> March, 2018 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 level 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 Audit 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 functions 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:**

As on 31<sup>st</sup> March, 2018, the Committee comprised of two Independent Directors and one Executive Director having financial background and knowledge in the areas of business of the Company. The Committee comprised of Mr. Prasannakumar B. Gawde as the Chairman of the Committee and Mr. Jagdeep Y. Mehta and Mr. Vipul P. Shah as its members.

The Company Secretary acts as the Secretary to the Committee.

**1.3. Meeting and attendance during the year:**

During the year under review, 6 (six) meetings of the Audit Committee were held on 2<sup>nd</sup> May, 2017, 29<sup>th</sup> May, 2017, 5<sup>th</sup> August, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017 and 14<sup>th</sup> February, 2018.

The composition of the Committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2018 is as under:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	6	6
Mr. Jagdeep Y. Mehta	Member	6	5
Mr. Vipul P. Shah	Member	6	5

**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:

As on 31<sup>st</sup> March, 2018, the Nomination and Remuneration Committee comprised of Mr. Prasannakumar B. Gawde as the Chairman of the Committee and Mr. Jagdeep Y. Mehta and Mrs. Trupti H. Shah as its members.

The Company Secretary acts as the Secretary to the Committee.

## 2.3. Meetings and attendance details:

During the year under review, the Nomination and Remuneration Committee met 3 (three) times on 22<sup>nd</sup> May, 2017, 29<sup>th</sup> May, 2017 and 5<sup>th</sup> August, 2017.

The composition of the Committee and number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2018 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 provisions of 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:

- Attendance at Board and Committee Meetings;
- Quality of contribution to Board deliberations;
- Strategic perspectives or inputs regarding future growth of the Company and its performances; and
- 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 4 (four) times on 29<sup>th</sup> May, 2017, 14<sup>th</sup> September, 2017, 14<sup>th</sup> December, 2017 and 5<sup>th</sup> February, 2018.

### Composition and attendance:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Late Shri Pravinchandra B. Shah (upon 13 <sup>th</sup> February, 2018)	Chairman	4	4
Mr. Vipul P. Shah	Member	4	4
Mr. Prasannakumar B. Gawde	Member	4	4

Ms. Rishika Puri, 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
1	4	5	0

**Name and Address of the Compliance Officer:**

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

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

E-mail : [companysecretary@vipulorganics.com](mailto:companysecretary@vipulorganics.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 pecuniary relationship or transactions with the Company during the year 2017-18.

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 2017-18 and number of shares held as on 31<sup>st</sup> March, 2018 by the Directors of the Company are as follows:

(Amount in Rs.)

Name of the Directors	Salary & Perquisites	Performance/ Incentive/ Bonus	Commission	Sitting Fees	Total	No. of Shares held
Late Shri Pravinchandra B. Shah	-	-	-	-	-	2,47,100
Mr. Vipul P. Shah	51,60,000	-	-	-	51,60,000	9,26,100
Dr. Shiv Nath Sahai	7,60,000	-	-	-	7,60,000	-
Mr. Jagdeep Y. Mehta	-	-	-	64,000	64,000	-
Mr. Prasannakumar B. Gawde	-	-	-	89,000	89,000	-
Mrs. Trupti H. Shah	-	-	-	49,000	49,000	-

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

2. 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/ExtraOrdinary General Meetings are given below:

Financial Year	Date	Time	Venue
2016-17	29 <sup>th</sup> September, 2017	3.30 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2015-16	26 <sup>th</sup> August, 2016	3.30 p.m.	The International by Tunga, B/11, MIDC Central Road, MIDC, Andheri (East), Mumbai-400093.
	13 <sup>th</sup> 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 <sup>th</sup> September, 2015	3.30 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.

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

Date of Meetings	Particulars of Special Resolution
29 <sup>th</sup> September, 2017	<ol style="list-style-type: none"> <li>1) Re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director and Chief Financial Officer of the Company w.e.f. 1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2018.</li> <li>2) Revision in remuneration payable to Dr. Shiv Nath Sahai, Whole-Time Director and CFO w.e.f. 1<sup>st</sup> July, 2017 for the remaining period of his tenure.</li> <li>3) Revision in the remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company w.e.f. 1<sup>st</sup> July, 2017 for the remaining period of his tenure.</li> <li>4) Approval for increase in borrowing powers of the company.</li> <li>5) To authorize the Board of Directors of the company to create charge on the assets of the company.</li> </ol>
26 <sup>th</sup> August, 2016	<ol style="list-style-type: none"> <li>1) Reappointment of Dr. Shiv Nath Sahai as Whole-Time Director (designated as Whole-Time Director and CFO) of the Company w.e.f. 1<sup>st</sup> April, 2016 till 2<sup>nd</sup> May, 2016.</li> <li>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. 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2017.</li> <li>3) Reappointment of Mr. Vipul P. Shah as the Managing Director of the Company from 15<sup>th</sup> June, 2016 till 14<sup>th</sup> June, 2019.</li> <li>4) Approval of agreements for purchase/sale of goods and providing/availing services, etc entered into with related parties.</li> </ol>
13 <sup>th</sup> June, 2016 (Extra Ordinary General Meeting)	<ol style="list-style-type: none"> <li>1) 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.</li> <li>2) Alteration of Capital Clause V of the Memorandum of Association of the Company.</li> <li>3) Alteration of Article No. 3 of the Articles of Association of the Company.</li> <li>4) Change of name of the Company from 'Vipul Dyechem Limited' to 'Vipul Organics Limited'.</li> </ol>
30 <sup>th</sup> September, 2015	<ol style="list-style-type: none"> <li>1) Revision in remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1<sup>st</sup> April, 2015 for the remaining period of his tenure.</li> <li>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. 1<sup>st</sup> April, 2015 till 31<sup>st</sup> March, 2016.</li> </ol>

During the year 2017-18, 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 (English)	29 <sup>th</sup> May, 2017	31 <sup>st</sup> May, 2017
Mumbai Lakshadweep (Marathi)	14 <sup>th</sup> September, 2017	16 <sup>th</sup> September, 2017
	14 <sup>th</sup> December, 2017	16 <sup>th</sup> December, 2017
	14 <sup>th</sup> February, 2018	16 <sup>th</sup> February, 2018

Website: The Company's website ([www.vipulorganics.com](http://www.vipulorganics.com)) contains a separate section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available on the Company's website on [www.vipulorganics.com](http://www.vipulorganics.com).

During the year, the Company has not made any presentation to Institutional Investors and Analysts. All Corporate Announcements made to Stock Exchanges during the year 2017-18 are available on the website of the Company.

## G. GENERAL INFORMATION FOR SHAREHOLDERS

### 1.1 Annual General Meeting for the financial year 2017-18:

Day : Thursday  
 Date : 27<sup>th</sup> September, 2018  
 Time : 4.00 p.m.  
 Venue : Svenska Design Hotel, Off Link Road, Next to Laxmi Industrial Estate, Sab TV Road, Andheri (West), Mumbai - 400053



**1.2 Financial Year:** 1<sup>st</sup> April to 31<sup>st</sup> March**Dividend Payment Date:** Credit/ Dispatch between 8<sup>th</sup> October, 2018 and 12<sup>th</sup> October, 2018**1.3 Listing on Stock Exchanges:**

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

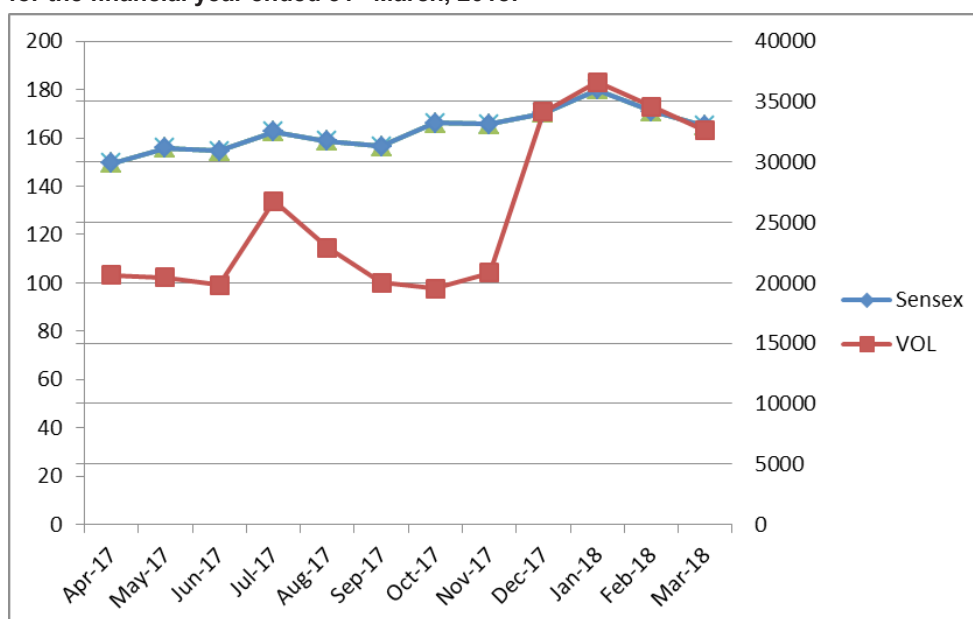
The Ahmedabad Stock Exchange Limited\*

\*Applied for de-listing

**1.4 Listing Fees:** The Company has paid the necessary listing fees of the BSE Limited for the year 2018-19.**1.5 Stock Code:** BSE: 530627**1.6 ISIN for NSDL & 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, 2017	111.95	87.50	30,184.22	29,241.48
May, 2017	120.00	85.00	31,255.28	29,804.12
June, 2017	107.95	90.00	31,522.87	30,680.66
July, 2017	151.00	97.00	32,672.66	31,017.11
August, 2017	136.00	113.10	32,686.48	31,128.02
September, 2017	125.00	96.10	32,524.11	31,081.83
October, 2017	111.00	93.00	33,340.17	31,440.48
November, 2017	114.95	94.55	33,865.95	32,683.59
December, 2017	175.95	101.00	34,137.97	32,565.16
January, 2018	201.95	167.00	36,443.98	33,703.37
February, 2018	192.30	167.00	36,256.83	33,482.81
March, 2018	177.05	159.10	34,278.63	32,843.84

\* **Source:** [www.bseindia.com](http://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 31<sup>st</sup> March, 2018:**

**1.9 Trading of Securities:** The securities of the Company were not suspended from trading during the year 2017-18.

**1.10 Registrar and Share Transfer Agents:** Bigshare Services Pvt. Ltd. Unit: Vipul Organics Limited

Bigshare Services Pvt. Ltd.

1<sup>st</sup> Floor, Bharat Tin Works Building,

Opp. Vasant Oasis Apartments

(Next To Keys Hotel),

Marol Maroshi Road,

Andheri (East), Mumbai 400059

Tel No.: +91-22-62638200

Fax No.: +91-22-62638299

Email ID: [info@bigshareonline.com](mailto: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 31<sup>st</sup> March, 2018:**

Slab of Shares Holding (in Rs.)		Shareholders	Percentage of Shareholders (%)	Amount (Rs.)	Percentage of Shareholding (%)
From	To				
1	5000	2162	86.3763	3101460	4.0151
5001	10000	130	5.1938	1109230	1.4360
10001	20000	61	2.4371	963440	1.2473
20001	30000	31	1.2385	829200	1.0735
30001	40000	12	0.4794	427430	0.5533
40001	50000	19	0.7591	883370	1.1436
50001	100000	27	1.0787	2040650	2.6418
100001	999999999	61	2.4371	67890220	87.8895
<b>TOTAL</b>		<b>2503</b>	<b>100.00</b>	<b>77245000</b>	<b>100.00</b>

**1.13 Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2018 about 96.45% 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 6<sup>th</sup> 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.

During the year 2017-18, the Company issued and allotted 14,60,000 fully paid Equity Shares of Rs. 10/- each 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 31<sup>st</sup> March, 2018, no warrants were outstanding for conversion into shares.

The Company has not issued any American Depositary Receipts (ADRs)/ Global Depositary Receipts (GDRs), warrants or any other convertible instruments during the financial year ended 31<sup>st</sup> March, 2018.

**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 hedging of risk of our import and export.

**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**  
 1<sup>st</sup> 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](mailto:info@bigshareonline.com)  
[investor@bigshareonline.com](mailto: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: [companysecretary@vipulorganics.com](mailto:companysecretary@vipulorganics.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 / KMPs during the financial year ended 31<sup>st</sup> March, 2018 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 Indian Accounting Standard (Ind AS) 24, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transactions 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 person has 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 2017-18, 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 31<sup>st</sup> March, 2018, 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 requirements of Corporate Governance Report:**

During the year 2017-18, 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 Auditors – The Internal Auditors directly report 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 Indian Accounting Standards (IndAs) issued by the Institute of Chartered Accountants of India to the extent applicable.

**M. Related Party Disclosures:**

The disclosures as required under Indian Accounting Standard (IndAS) 24 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 31<sup>st</sup> March, 2018. 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 Statutory 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 31<sup>st</sup> March, 2018.

**For Vipul Organics Limited**

**Place: Mumbai**  
**Date: 14<sup>th</sup> August, 2018**

**Vipul P. Shah**  
**Managing Director**  
**DIN:00181636**

**AUDITORS' CERTIFICATE**  
**Compliance Certificate**

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

We have examined the compliance of conditions of corporate governance by Vipul Organics Limited (the 'Company') for the year ended 31<sup>st</sup> March, 2018, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.

We further 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 R. A. Kuvadia & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 105487W**

**Place: Mumbai**  
**Date: 14<sup>th</sup> August, 2018**

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**

## 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 & 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 & 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 & Remuneration Committee shall consider the following:

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

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

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](http://www.vipulorganics.com).



## Independent Auditor's Report

### To the Members of Vipul Organics Limited

#### Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Vipul Organics Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 and Statement of Profit and Loss (including Other Comprehensive Income) the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS 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. 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 Ind AS 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 Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profits including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Other Matter

The comparative financial information for the transition date opening balance sheet as at 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017 prepared in accordance with Ind AS included in these standalone financial statements, is based on the previously issued statutory financial statements for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 on which predecessor auditor has issued unmodified opinion and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

- As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 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 and Statement of Profit and Loss (including other Comprehensive Income) , Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Ind AS financial statements comply the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give 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 impact of pending litigation on its financial position in its standalone financial statements.(refer note 34 on contingent liabilities).
    - 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 reporting on disclosures relating Specified Bank Notes is not applicable for the year ended 31 March 2018.

**For R. A. Kuvadia & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 105487W**

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2018**

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

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS financial statements of the Company for the year ended 31<sup>st</sup> March, 2018 :

- 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) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company except for a Land whose gross block is Rs. 2500(‘000).
- 2) The inventories has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such physical verification is reasonable and no material discrepancies were noticed on physical verification carried out during the year.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c.) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and rules framed thereunder.
- 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 31<sup>st</sup> March, 2018 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) Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the Balance Sheet date. Further, the Company did not have loans or borrowings from the government and has not issued any debentures as at the Balance Sheet date.
- 9) The company has not raised moneys by way of initial public offer or further public offer including debt instruments. based on the records examined by us and according to the information and explanations given to us, the moneys raised by way of term loans were applied for the purpose for which they were obtained.
- 10) According to the information and explanations given by the management and based upon the audit procedures performed and, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS 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, surplus funds have been temporarily held in fixed deposit with bank.
- 15) According to 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.

**For R. A. Kuvadia & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 105487W**

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2018**

## **“Annexure B” to the Independent Auditor’s Report of even date on the Ind AS 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 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. A. Kuvadia & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 105487W**

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2018**



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018****(Rs. In `000s)**

	<b>Note No.</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	4	62,231	62,403	55,697
Capital work-in-progress	4	51,733	12,645	1,271
Intangible Capital work-in-progress	4	1,826	-	-
Investment in Subsidiaries	5	11,255	11,255	11,255
Other Investment-Financial Asset	5	8,804	6,648	5,341
Other non-current assets	6	73,287	57,125	53,077
		<b>2,09,136</b>	<b>1,50,076</b>	<b>1,26,641</b>
<b>Current Assets</b>				
Inventories	7	87,960	76,760	51,676
<b>Financial assets</b>				
Trade receivables	8	2,81,508	1,45,706	1,02,552
Cash and Cash equivalents	9	1,320	19,031	8,192
Other bank balances	10	31,857	27,751	13,793
Other Financial assets	11	912	38	-
Other current assets	12	96,385	46,878	34,596
		<b>4,99,942</b>	<b>3,16,163</b>	<b>2,10,810</b>
<b>TOTAL</b>		<b>7,09,078</b>	<b>4,66,239</b>	<b>3,37,451</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	13	77,245	62,645	54,745
Other Equity	14	1,78,428	1,18,100	85,458
Advance Subscription against share warrants	15	-	14,600	-
<b>Equity attributable to owners of the company</b>		<b>2,55,673</b>	<b>1,95,345</b>	<b>1,40,203</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	17,234	3,967	1,982
Non Current provisions	17	264	264	269
Deferred tax liabilities (Net)	18	1,502	2,050	2,557
		<b>19,001</b>	<b>6,281</b>	<b>4,808</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	1,66,215	99,484	62,193
Trade payables	20			
Total Outstanding Dues -Micro and small enterprises		-	-	-
Total Outstanding Dues-Other than micro & small enterprises		2,34,957	1,53,135	1,16,768
Other Financial liabilities	21	15,451	2,872	4,706
Other current liabilities	22	6,151	4,214	5,135
Short-term provisions	23	11,631	4,908	3,638
		<b>4,34,405</b>	<b>2,64,613</b>	<b>1,92,440</b>
<b>TOTAL</b>		<b>7,09,078</b>	<b>4,66,239</b>	<b>3,37,451</b>

**See accompanying notes to the financial statements****In terms of our report attached.****For R. A. Kuvadia & Co.****Chartered Accountants****Firm Registration No. 105487W****R. A. Kuvadia****Proprietor****Membership No. 040087****Mumbai****Dated : 30<sup>th</sup> May, 2018****For and on behalf of the Board of Directors****Vipul Organics Limited**
**Vipul P. Shah**  
**Managing Director**  
**DIN: 00181636**
**Dr. Shiv Nath Sahai**  
**Whole-Time Director & CFO**  
**DIN: 00332652**
**Rishika Puri**
**Company Secretary & Compliance Officer**  
**Membership No.: A49818**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(Rs. In `000s)

	Note No.	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>I. Revenue from operations</b>	24	7,95,908	5,79,932
<b>II. Other income</b>	25	13,485	5,549
<b>III. Total Revenue (I + II)</b>		<b>8,09,393</b>	<b>5,85,481</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26	1,94,404	1,67,040
Purchases of Stock-in-Trade	26	4,20,479	2,64,373
Changes in Inventories of Stock-in-Trade	27	(8,758)	(22,614)
Excise Duty		1,981	9,850
Employee benefits expense	28	27,762	23,507
Finance costs	29	9,017	6,120
Depreciation	30	6,766	7,500
Other Expenses	31	1,23,805	1,06,034
<b>Total expenses</b>		<b>7,75,456</b>	<b>5,61,809</b>
<b>V. Profit before tax (III-IV)</b>		<b>33,937</b>	<b>23,672</b>
<b>VI. Tax expense:</b>			
(1) Current tax	32	11,830	8,300
(2) Deferred tax		(548)	(507)
<b>Total Tax expense</b>		<b>11,282</b>	<b>7,793</b>
<b>VII. Profit for the year (V-VI)</b>		<b>22,655</b>	<b>15,879</b>
<b>VIII. Other comprehensive income/(loss) net of tax</b>		-	-
<b>IX. Total comprehensive income net of tax (VII+VIII)</b>		<b>22,655</b>	<b>15,879</b>
<b>X Earnings per equity share:</b>	33		
(1) Basic		<b>3.38</b>	<b>2.90</b>
(2) Diluted		<b>3.38</b>	<b>2.90</b>

See accompanying notes to the financial statements

In terms of our report attached.

For R. A. Kuvadia & Co.

Chartered Accountants

Firm Registration No. 105487W

For and on behalf of the Board of Directors

Vipul Organics Limited

R. A. Kuvadia

Proprietor

Membership No. 040087

Vipul P. Shah

Managing Director

DIN: 00181636

Dr. Shiv Nath Sahai

Whole-Time Director & CFO

DIN: 00332652

Mumbai

Dated : 30<sup>th</sup> May, 2018

Rishika Puri

Company Secretary & Compliance Officer

Membership No.: A49818

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax</b>	<b>33,937</b>	<b>23,672</b>
Adjustments for:		
Depreciation and Amortisation	6,766	7,500
Finance Cost	9,017	6,120
Dividend Income	(91)	(64)
Gain on fair value of financial asset	(2,156)	(1,307)
Interest Income	(4,723)	(3,585)
Sundry Balance written back	-	(594)
Bad Debts written off	92	310
Profit/Loss on sale of Fixed Assets	15	-
	<u>8,919</u>	<u>8,380</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>42,856</b>	<b>32,052</b>
(Increase) / Decrease in Inventories	(11,200)	(25,084)
(Increase) / Decrease in Trade receivables	(1,35,895)	(43,464)
(Increase) / Decrease in Other Financial assets	(4,979)	(13,996)
(Increase) / Decrease in Other Current assets	(49,507)	(12,281)
(Increase) / Decrease in Other Non Current assets	(16,162)	(4,048)
(Decrease) / Increase in Trade payables	81,822	36,961
(Decrease) / Increase in Other financial liabilities	12,284	(1,883)
(Decrease) / Increase in Other current liabilities	1,937	(925)
	<u>(1,21,701)</u>	<u>(64,720)</u>
Cash Generated from Operations	(78,844)	(32,668)
Direct Taxes Paid (including TDS) Net	(5,084)	(8,240)
<b>Net Cash Flow from Operating Activities - A</b>	<b>(83,928)</b>	<b>(40,908)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible ,Intangible Assets and Capital Work in Progress	(47,522)	(25,581)
Dividend Income	91	64
Interest Income	4,723	3,585
<b>Net Cash used in Investing Activities - B</b>	<b>(42,708)</b>	<b>(21,932)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Share issue / Share Application Received	43,800	46,200
(Decrease) / Increase in long term Borrowings (net)	13,267	1,985
(Decrease) / Increase in Short term Borrowings (net)	66,731	37,291
Dividend Paid	(5,856)	(5,678)
Interest Paid	(9,017)	(6,120)
Net Cash from Financing Activities - C	<u>1,08,926</u>	<u>73,679</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C</b>	<b>(17,710)</b>	<b>10,838</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks	<u>1,320</u>	<u>19,031</u>
Less: Cash and Cash Equivalents as at the beginning of the year	<u>19,031</u>	<u>8,192</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(17,710)</b>	<b>10,838</b>
Note: Figures in bracket denote outflow of cash.		

In terms of our report attached.

For R. A. Kuvadia &amp; Co.

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated : 30<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

Vipul Organics Limited

 Vipul P. Shah  
 Managing Director  
 DIN: 00181636

 Dr. Shiv Nath Sahai  
 Whole-Time Director & CFO  
 DIN: 00332652

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

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2018**

(Rs. In `000s)

**a. Equity shares of INR 10 each issued, subscribed and fully paid**

	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning of the reporting period	62,64,500	62,645	54,74,500	54,745	54,74,500	54,745
Changes in equity share capital during the year	14,60,000	14,600	7,90,000	7,900	-	-
<b>Balance at the end of the reporting period</b>	<b>77,24,500</b>	<b>77,245</b>	<b>62,64,500</b>	<b>62,645</b>	<b>54,74,500</b>	<b>54,745</b>

**b. Other Equity**

	Reserves and Surplus				
	Securities premium	Capital Reserve	General reserve	Retained Earnings	Total
<b>Balance at 01 April 2016</b>	<b>29,478</b>	<b>6,278</b>	<b>9,010</b>	<b>40,693</b>	<b>85,458</b>
Profit for the year	-	-	-	15,879	15,879
Addition / reduction during the year	23,700	-	-	(6,937)	16,763
<b>Balance at 31 March 2017</b>	<b>53,178</b>	<b>6,278</b>	<b>9,010</b>	<b>49,634</b>	<b>1,18,100</b>
Profit for the year	-	-	-	22,655	22,655
Addition / reduction during the year	43,800	-	-	(6,127)	37,673
<b>Balance at 31 March 2018</b>	<b>96,978</b>	<b>6,278</b>	<b>9,010</b>	<b>66,162</b>	<b>1,78,428</b>

In terms of our report attached.

For R. A. Kuvadia & Co.

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated : 30<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

Vipul Organics Limited

Vipul P. Shah  
Managing Director  
DIN: 00181636

Dr. Shiv Nath Sahai  
Whole-Time Director & CFO  
DIN: 00332652

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

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****1.1 Corporate Information**

Vipul Organics Limited is a public limited domiciled in India incorporated under the provisions of the Companies Act ('the company') having its registered office at 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai 400053. The Company's principle activities are manufacturing & trading of Dyes stuff, Organic Pigments & Organic Intermediates.

The standalone financial statements for the year ended March 31, 2018 were considered by the Board of Directors and approved for issuance on 30th May, 2018.

**1.2 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017 the Company prepared its financial statements in accordance with requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date for transition to Ind AS is April 1, 2016.

**1.3 Basis of preparation and presentation**

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

**1.4. Functional and presentation currency**

These standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest thousands, unless otherwise indicated.

**2. Significant accounting judgments, estimates and assumptions**

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

**2.1 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.

**2.2 Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.



## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

### 2.3 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### 2.4 Litigation

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

## 3. Significant Accounting Policies

### 3.1 Property, plant and equipment:

Items of property, plant and equipment are stated at cost, less accumulated depreciation & impairment losses, if any. Cost comprises a) the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

### 3.2. Depreciation

Depreciation on Property, plant and equipment has been provided on written down value basis and manner prescribed in Schedule II to the Act. Depreciation on additions during the year has been provided on prorata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on prorata basis. Leasehold assets are amortized over the primary period of lease or its useful life, whichever is shorter on a straight line basis.

### 3.3. Intangible assets

Intangible assets are recognized, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Computer software is amortized on straight line basis over a period of its estimated useful life,

### 3.4. Impairment of tangible and intangible assets

Company at the end of each reporting period reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in statement of profit and loss. A reversal of an impairment loss is also recognised immediately in Statement of Profit and Loss.

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****3.5. Financial instruments****Financial assets**

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

**Initial recognition and measurement**

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

**Classification and subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through OCI or fair value through profit and loss.

**Financial assets amortised at cost**

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

**Financial assets at fair value through other comprehensive income**

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

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Further, Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition (April 1, 2016). Also, in accordance with Ind AS 27 company has elected the policy to account investments in subsidiaries at cost.

**Derecognition:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset and shall be recognised either to statement of profit & loss or OCI o as per classification of the respective asset.

**Financial Liabilities****Initial Recognition and Measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument .Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

**Subsequent measurement**

Financial liabilities are subsequently carried at fair value through profit and loss. For trade payables and other liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

### De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

### 3.6. Inventories

Inventories comprising of raw material & finished goods are carried at lower of cost and net realizable value. Cost is determined by using the First in First Out formula. Costs comprise all cost of purchase, cost of conversion and cost incurred in bringing the inventory to their present location and condition other than those subsequently recoverable by the Company from tax authorities.

Packing material, Stores & spares consumables are charged to revenue account.

### 3.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax. 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.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the right to receive payment has been established

### 3.8. Foreign currencies

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 3.9. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR.

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the Profit and loss account in the year in which they are incurred.

### 3.10. Leases

Leases are classified as finance leases whenever the (substantial value of the assets is initially paid as nonrefundable lease premium) and terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefit accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### 3.11. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****3.12. Employee benefits****Short-term obligations**

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Post-employment obligations**

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation at the end of each financial year.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**3.13. Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

### 3.14. Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 3.15. Research and development expenses

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized as expense in the statement of profit and loss when incurred.

Expenditure incurred on fixed assets used for research and development is capitalized and depreciated in accordance with the depreciation policy of the Company.

### 3.16. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.17. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognized in the financial statements.

### 3.18. Current / non- current classification

An asset is classified as current if:

- i) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- ii) it is held primarily for the purpose of trade;
- iii) it is expected to be realized within twelve months after the reporting period; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- i) it is expected to be settled in normal operating cycle;
- ii) it is held primarily for the purpose of trading;
- iii) it is expected to be settled within twelve months after the reporting period;
- iv) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 3.19 First Time Adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements as at and for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, ('previous GAAP' or 'IGAAP'). An explanation



## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

The following tables represent the reconciliations from erstwhile Indian GAAP to Ind AS.

### Reconciliation of Equity as at 31 March 2017 and 1 April 2016

(Rs. In `000s)

Particulars	Note no.	As on 31 March 2017	As on 1 April 2016
<b>Net worth under previous GAAP</b>		<b>1,86,169</b>	<b>1,32,607</b>
<b>Summary of Ind AS adjustments</b>			
Fair value of security deposit	a	4,417	1,918
Prepaid Rent Amortisation	a	(4,668)	(2,122)
Fair valuation of Investment	b	3,860	2,553
Deferred Revenue Expenditure	c	(548)	(600)
Proposed Dividend	d	6,032	5,779
Impact of deferred tax on above adjustment		83	68
<b>Total Ind AS adjustments</b>		<b>9,176</b>	<b>7,596</b>
<b>Total net worth as per financial statements</b>		<b>1,95,345</b>	<b>1,40,203</b>

### Reconciliation of comprehensive income for the year ended on 31 March 2017

Particulars		Year ended March 31, 2017
<b>Profit under previous GAAP</b>		<b>14,551</b>
<b>Ind AS adjustments</b>		
Fair value of security deposit	a	2,498
Prepaid Rent Amortisation	a	(2,546)
Fair valuation of Investment	b	1,307
Deferred Revenue Expenditure	c	53
Impact of deferred tax on above adjustment		16
<b>Profit under Ind AS</b>		<b>15,879</b>
Other comprehensive income (Net of deferred tax)		-
<b>Total comprehensive income under Ind AS</b>		<b>15,879</b>

#### Notes to the reconciliation:

- Under previous GAAP, security deposits are carried at their face values. Under Ind AS, non-cancellable deposits (not statutory deposits in nature) are required to be measured at their fair values at inception using an appropriate discounting rate.
- Under previous GAAP, Quoted Investments were carried at cost. Under Ind AS, Quoted Investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Statement of Profit and Loss.
- Under previous GAAP, deferred revenue expenditure was amortised. Under Ind AS, same is transferred to Statement of Profit and Loss.
- Under previous GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

#### Statement of cash flows:

The transition from Indian GAAP to Ind AS does not have a material impact on the Statement of Cash Flows.

## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

### 4 Property, plant and equipment

(Rs. In `000s)									
	Gross Block			Accumulated depreciation / amortisation			Net block		
	As at April 01, 2017	Additions during the year	Deletion during the year	As at March 31, 2018	As at April 01, 2017	Additions during the year	Deletion during the year	As at March 31, 2018	As at March 31, 2017
<b>A</b> <u>Property, plant and equipment</u>									
Factory Land	27,019	-	-	27,019	-	-	-	27,019	27,019
Factory Building	4,974	-	-	4,974	504	449	-	953	4,470
Plant & Machinery	27,072	5,766	-	32,838	3,650	3,919	-	7,569	23,422
Furniture & Fixtures	3,686	30	-	3,716	968	718	-	1,686	2,718
Motor Car	5,407	-	-	5,407	1,706	1,168	-	2,874	3,701
Office Equipment	784	539	79	1,243	347	287	44	589	437
Computer	527	295	-	822	304	206	-	510	223
Office Building	435	-	-	435	21	20	-	41	414
<b>Total A</b>	<b>69,903</b>	<b>6,629</b>	<b>79</b>	<b>76,453</b>	<b>7,500</b>	<b>6,766</b>	<b>44</b>	<b>14,222</b>	<b>62,403</b>
									<b>62,231</b>
									<b>2,427</b>
									<b>0</b>
<b>B</b> <u>Capital work-in-progress</u>	12,645	41,533	2,446	51,733	-	-	-	-	12,645
<b>Total B</b>	<b>12,645</b>	<b>41,533</b>	<b>2,446</b>	<b>51,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,733</b>
<b>C</b> <u>Intangible assets under development</u>									
Software development	-	1,826	-	1,826	-	-	-	-	-
<b>Total C</b>	<b>-</b>	<b>1,826</b>	<b>-</b>	<b>1,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,826</b>

The Company has elected to measure other items of property, plant and equipment at the previous GAAP carrying amount i.e 31<sup>st</sup> March 2016 as its deemed cost on the date of transition to Ind AS i.e 1<sup>st</sup> April 2016. The Company has adopted cost model as their accounting policy for subsequent measurement and recognition of Property, plant and equipment.

Some assets of which the company is beneficial owner are pending for transfer in the name of the company. Refer note 16 & 19 for assets provided as security.

(Rs. In `000s)

	Gross Block			Accumulated depreciation / amortisation			Net block		
	As at April 01, 2016	Additions during the year	Deletion during the year	As at March 31, 2017	As at April 01, 2016	Additions during the year	Deletion during the year	As at March 31, 2017	As at April 01, 2016
<b>A</b> <u>Property, plant and equipment</u>									
Factory Land	16,465	10,554	-	27,019	-	-	-	16,465	27,019
Factory Building	4,974	-	-	4,974	-	504	-	504	4,470
Plant & Machinery	23,746	3,327	-	27,072	-	3,650	-	3,650	23,746
Furniture & Fixtures	3,686	-	-	3,686	-	968	-	968	3,686
Vehicles	5,407	-	-	5,407	-	1,706	-	1,706	5,407
Office Equipment	656	127	-	784	-	347	-	347	656
Computer	329	198	-	527	-	304	-	304	329
Office Building	435	-	-	435	-	21.21	-	21	435
<b>Total A</b>	<b>55,697</b>	<b>14,206.30</b>	<b>-</b>	<b>69,903</b>	<b>-</b>	<b>7,500</b>	<b>-</b>	<b>7,500</b>	<b>55,697</b>
									<b>62,403</b>
<b>B</b> <u>Capital work-in-progress</u>	1,271	11,374	-	12,645	-	-	-	-	1,271
<b>Total B</b>	<b>1,271</b>	<b>11,374</b>	<b>-</b>	<b>12,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,271</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

Gross block, accumulated depreciation and net block as per Previous GAAP as at April 1, 2016

	Gross Block	Accumulated depreciation	Net block
<b>A Property, plant and equipment</b>			
Factory Land	16,465	-	16,465
Factory Building	9,164	4,191	4,974
Plant & Machinery	53,320	29,574	23,746
Furniture & Fixtures	7,141	3,456	3,686
Vehicles	11,636	6,229	5,407
Office Equipment	2,965	2,309	656
Computer	2,466	2,137	329
Office Building	635	200	435
<b>Total A</b>	<b>1,03,792</b>	<b>48,095.72</b>	<b>55,697</b>

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>5 Non-current Investments:</b>			
<b>Investment in Subsidiaries</b>			
<b>(Fully Paid Up, Caried At Cost)</b>			
<b>(a) Investments in Equity Instruments</b>			
<b>Investments in Equity Shares of Subsidiaries:</b>			
Equity Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted)	255	255	255
2550 (Prev.Yr. 2550) Equity Shares of Rs.100 each.			
<b>(b) Investments in Preference Shares :</b>			
<b>Investments in Preference Shares of Subsidiaries:</b>			
100000 ( Prev. Year 100000) 1.5% Non-Cumulative Optionally Convertible Preference Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted)	11,000	11,000	11,000
<b>Total</b>	<b>11,255</b>	<b>11,255</b>	<b>11,255</b>
<b>Non-Current Investments:</b>			
<b>(a) Investments in Equity Instruments</b>			
Equity Shares (Quoted & carried at fair value through Profit & loss)	8,763	6,606	5,299
<b>(b) Investments in Government Securities :</b>			
Government Securities (Unquoted at cost) (Deposited with Government authorities)	1	1	1
<b>(c) Investments in Debentures:</b>			
Debentures (at Cost)	41	41	41
<b>Total</b>	<b>8,804</b>	<b>6,648</b>	<b>5,341</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

**Investment in Equity Shares (quoted) (fully paid up) at Fair Value through Profit and Loss**

(Rs. In `000s)

	<b>As at</b>					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	385	1,000	394	1,000	273
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	18	100	9	100	8
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	304	2,500	401	2,500	183
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	179	8,400	365	8,400	1,544
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	102	895	117	895	58
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	17	1,000	16	1,000	18
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	91	1,250	79	1,250	87
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	208	500	141	500	55
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	90	346	87	346	94
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	1,730	1,334	346	1,053	346	584
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	3,827	20,000	1,877	20,000	923
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	306	500	338	500	324
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	258	3,000	238	3,000	128
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.10 Each)	6,000	1,388	3,000	1,209	3,000	752
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	204	9,900	216	9,900	236
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	52	1,000	69	1,000	31
		<b>8,763</b>		<b>6,606</b>		<b>5,299</b>

(Rs. In `000s)

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>6 Other Non Current Assets</b>			
<b>(Unsecured and considered good)</b>			
Capital Advances-Related (Refer note 37)	20,475	20,475	20,475
Capital Advances-Others	10,511	214	308
Deposits with Government Authorities and Others (Refer note 37 & 44)	40,509	36,436	32,294
Loans and advances to related parties			
- Subsidiaries (Refer Note 37)	1,792	-	-
<b>Total</b>	<b>73,287</b>	<b>57,125</b>	<b>53,077</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>7 Inventories</b>			
(At cost or net realisable value whichever is lower)			
(a) Raw materials	23,971	21,529	19,059
(b) Finished goods	63,989	55,231	32,617
<b>Total</b>	<b>87,960</b>	<b>76,760</b>	<b>51,676</b>
<b>8 Trade receivables (Unsecured)</b>			
Considered Good			
Overdue Trade Receivables	4,597	429	733
Trade Receivables	2,76,911	1,45,277	1,01,819
<b>Total</b>	<b>2,81,508</b>	<b>1,45,706</b>	<b>1,02,552</b>
<b>9 Cash and Cash equivalents:</b>			
Balances with Scheduled Bank:			
In Current Account	760	18,512	7,487
In EEFC Account	0	0	0
Cash in Hand	561	518	706
<b>Total</b>	<b>1,320</b>	<b>19,031</b>	<b>8,192</b>
<b>10 Other bank balances</b>			
Earmarked Balance			
Unpaid Dividend Account	1,368	1,105	1,060
In Fixed deposit	30,488	26,647	12,733
<b>Total</b>	<b>31,857</b>	<b>27,751</b>	<b>13,793</b>
<b>11 Other Financial assets</b>			
Accrued Interest	912	38	-
<b>Total</b>	<b>912</b>	<b>38</b>	<b>-</b>
<b>12 Other current assets:</b>			
(Unsecured and considered good)			
Loans and advances to Related parties (refer Note no 37)	12,444	6,945	8,350
Loans and advances to Employees	415	440	-
Prepaid Expenses	978	6,155	3,626
Balance with Government Authorities			
Excise	1,598	8,405	4,398
GST	55,404	-	-
MVAT Refund	5,502	7,039	6,330
Service Tax	758	2,617	2,416
Advances recoverable in cash or kind or for value to be received			
Export Incentive	11,264	7,093	9,024
Advance to Suppliers	8,020	8,180	447
Others	2	4	4
<b>Total</b>	<b>96,385</b>	<b>46,878</b>	<b>34,596</b>



**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

(Rs. In `000s)

(Except no of shares)

	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017		1 <sup>st</sup> April, 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
<b>13 Equity Share capital:</b>						
<b>a) Equity Share capital</b>						
<b><u>Authorised Share Capital:</u></b>						
Equity shares of Rs.10 each	1,00,00,000	1,00,000	1,00,00,000	1,00,000	70,00,000	70,000
<b><u>Issued, Subscribed and Fully Paid-up Shares:</u></b>						
Equity shares of Rs.10 each fully paid up	77,24,500	77,245	62,64,500	62,645	54,74,500	54,745
<b>b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.</b>						
Outstanding at beginning of the year	62,64,500	62,645	54,74,500	54,745	54,74,500	54,745
Issued During the Year **	14,60,000	14,600	7,90,000	7,900	-	-
<b>Balance as at End of Year</b>	<b>77,24,500</b>	<b>77,245</b>	<b>62,64,500</b>	<b>62,645</b>	<b>54,74,500</b>	<b>54,745</b>

\*\* Issued equity shares at a premium of Rs 30 per share on conversion of even no warrants issued on preferential basis .

**c) Terms / rights attached to equity shares**

Fully paid equity shares, which have a par value of Rs. 10/-, carry one vote per share and carry a right to dividends.

Dividends if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their judgement the position of the Company justifies.

During the year ended March 31, 2018, the amount of per share dividend recognised as Rs 0.80 (March 31, 2017 Rs. 0.80)

In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017		1 <sup>st</sup> April, 2016	
	No of shares	% of Holding	No of shares	%	No of shares	%
<b>d) List of shareholders who holds more than 5% of equity shares in the company:</b>						
<b>Name of the shareholders</b>						
Vipul P. Shah	9,26,100	11.99%	8,26,100	13.19%	7,26,100	13.26%
Mihir V. Shah	11,60,600	15.02%	10,60,600	16.93%	9,60,600	17.55%
Vatsal V. Shah	6,86,050	8.88%	5,86,050	9.36%	4,86,050	8.88%
Mita V. Shah	4,39,500	5.69%	3,39,500	5.42%	2,39,500	4.37%
Jaya P. Shah	4,39,500	5.69%	2,50,000	3.99%	-	0.00%
	<b>36,51,750</b>	<b>47.27%</b>	<b>30,62,250</b>	<b>48.88%</b>	<b>24,12,250</b>	<b>44.06%</b>

**e)** Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company Nil

**f)** Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date Nil

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>14 Other Equity</b>			
Capital Reserve	6,278	6,278	6,278
Securities Premium	96,978	53,178	29,478
General Reserve	9,010	9,010	9,010
Retained Earnings	66,162	49,634	40,693
<b>Total</b>	<b>1,78,428</b>	<b>1,18,100</b>	<b>85,458</b>
<b>Reserves and surplus:</b>			
<b>14.1 Capital Reserve</b>			
Balance at beginning of year	6,278	6,278	
Balance at end of year	<b>6,278</b>	<b>6,278</b>	
<b>14.2 Securities Premium Account:</b>			
Balance at beginning of year	53,178	29,478	
Add /Less: Premium on Issue Of Equity Shares	43,800	23,700	
Balance at end of year	<b>96,978</b>	<b>53,178</b>	
<b>14.3 General Reserve</b>			
Balance at beginning of year	9,010	9,010	
Balance at end of year	<b>9,010</b>	<b>9,010</b>	
<b>14.4 Retained Earnings</b>			
Balance at beginning of year	49,634	40,693	
Add: Profit after Tax for the year	22,655	15,879	
Less: Appropriations:			
Tax Adjustments & Others	(95)	(1,705)	
Dividend - Final	(5,012)	(4,380)	
Corporate Dividend Tax thereon	(1,020)	(852)	
Balance at end of year	<b>66,162</b>	<b>49,634</b>	
<b>Proposed dividend on equity shares not recognised</b>			
Final dividend for the year ended Rs. 0.8 per share (PY Rs. 0.8 per share)	6,180	5,012	
Dividend distribution tax on proposed dividend	1,258	1,020	
<b>15 Advance Subscription against share warrants</b>			
Preferential Share Warrant			
14,60,000 (Previous year 22,50,000) Preferential Share warrant paid up Rs. 10 each	14,600	22,500	
Less : 14,60,000 (Previous Year 7,90,000) Preferential Share Warrant converted into Equity Shares	14,600	7,900	
	<b>-</b>	<b>14,600</b>	

The Company had 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 Rs. 10/- each fully paid up. The holders of warrants had a right to apply for one equity shares of Rs. 10/- each at a premium of Rs. 30/- within a period 18 months from the date of allotment. Against this, company had received Rs.10 per warrant.

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>16 Long term borrowings:</b>			
<b><u>Secured Loans</u></b>			
<b>Term Loan from Bank</b>			
Loan from Bank Against Vehicles	-	1,010	1,982
Loan from Bank Against Proposed Plant & Machinery / Factory Building Tarapore	17,234	2,957	-
<b>Total</b>	<b>17,234</b>	<b>3,967</b>	<b>1,982</b>

**Term Loans from Banks-Against Vehicles**

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

Rs. Nil ('000) (Previous Year Rs.1009('000) secured by hypothecation of vehicles from HDFC Bank Ltd. Equal monthly instalments over the period of loan by 5th February ,2019 and carry interest rate of 10.01 % p.a.

Rs. 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 Tarapore**

Rs. 20938('000) (Previous Year Rs.2957 ('000)) secured by hypothecation of Proposed Plant & Machinery and Factory Building at Tarapore wherein in Term loan sanctioned for Rs 700 Lakhs principal payable in equal monthly installment of Rs. 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.

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>17 Non Current Provision</b>			
Provision for Gratuity	264	264	269
<b>Total</b>	<b>264</b>	<b>264</b>	<b>269</b>
<b>18 Deferred Tax Liabilities</b>			
<b>Major components of deferred tax are:</b>			
Related to Property ,Plant & Equipment	1,516	2,133	2,625
Others	(14)	(83)	(68)
<b>Net Deferred Tax Liability</b>	<b>1,502</b>	<b>2,050</b>	<b>2,557</b>
<b>19 Short-term borrowings:</b>			
<b>Loans repayable on demand</b>			
From banks			
Secured	1,66,215	99,484	62,193
<b>Total</b>	<b>1,66,215</b>	<b>99,484</b>	<b>62,193</b>

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

- EMDTD of land property & building with machinery/electricals installation situated at Plot no 12 ,Survey no 35,Dewan & Sons Industrial Estate,Palghar
- Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate ,Palghar.
- Land & Building 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-1115 ,Tarapur Industrial Area,Village Pamtembhi ,Taluka Palghar,Thane
- Also covered in personal guarantee of 2 directors & corporate guarantee of Jayshree Chemicals.

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>20 Trade payables</b>			
Total Outstanding Dues -Micro and small enterprises	-	-	-
Total Outstanding Dues -Other than micro & small enterprises **	<b>2,28,541</b>	1,42,869	1,01,840
Acceptances	<b>6,416</b>	10,266	14,928
<b>Total</b>	<b>2,34,957</b>	<b>1,53,135</b>	<b>1,16,768</b>

\*\* The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company has not received any claims for interest from any of the suppliers.

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>21 Other Financial Liabilities:</b>			
Creditors for Fixed Assets & Provision for Expenses	8,684	632	372
Current Maturity of long term	4,714	1,085	3,228
Unclaimed Dividend	1,400	1,104	1,055
Financial liability on account of derivatives	453	-	-
Deposit from Dealers	200	50	50
<b>Total</b>	<b>15,451</b>	<b>2,872</b>	<b>4,706</b>
<b>22 Other current liabilities:</b>			
Advance from Customers	2,967	1,903	3,672
Duties & taxes	3,184	2,311	1,462
<b>Total</b>	<b>6,151</b>	<b>4,214</b>	<b>5,135</b>
<b>23 Short-term provisions:</b>			
Provision for Tax	11,631	4,908	3,638
<b>Total</b>	<b>11,631</b>	<b>4,908</b>	<b>3,638</b>

**(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>24 Revenue from operations</b>		
Export sales	6,77,365	4,69,400
Local sales (Including Excise Duty)	96,892	95,023
Export incentives	21,652	15,508
<b>(Dyestuff , Organic Pigments and Intermediates)</b>		
<b>Total</b>	<b>7,95,908</b>	<b>5,79,932</b>

In accordance with the requirements of Ind AS, revenue for the year ended 31<sup>st</sup> March, 2018 is net of Goods & Service Tax (GST). However, revenue for the year ended 31<sup>st</sup> March, 2017 is inclusive of excise duty. Hence revenue and excise duty on sale of goods for the year ended 31<sup>st</sup> March, 2018 are not comparable with corresponding figures for the previous year.

<b>25 Other income:</b>		
Interest on Deposit with Banks & Others	1,966	1,086
Interest on Security Deposit-IND AS	2,757	2,498
Dividend on Investments	91	64
Exchange Gain/Loss	6,514	-
Sundry Balance written back	-	594
Fair Value Gain on Financial Assets	2,156	1,307
<b>Total</b>	<b>13,485</b>	<b>5,549</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>26 a) Cost of materials consumed (Chemicals &amp; Others)</b>		
Opening Stock	21,529	19,059
Add: Purchases	1,96,847	1,69,510
Less: Closing Stock	23,971	21,529
<b>Total</b>	<b>1,94,404</b>	<b>1,67,040</b>
<b>b) Purchases of Stock-in-Trade</b>		
Dyestuff , Organic Pigments and Intermediates	4,20,479	2,64,373
<b>Total</b>	<b>4,20,479</b>	<b>2,64,373</b>
<b>27 Changes in Inventories of Stock-in-Trade</b>		
Inventories at the end of the year		
Dyestuff , Organic Pigments and Intermediates	63,989	55,231
Sub-total (A)	63,989	55,231
Inventories at the beginning of the year		
Dyestuff , Organic Pigments and Intermediates	55,231	32,617
Sub-Total (B)	55,231	32,617
<b>(A) -(B)</b>	<b>(8,758)</b>	<b>(22,614)</b>
<b>28 Employee benefits expense:</b>		
Salaries, Wages, Bonus and Gratuity	27,144	23,017
Employees' Welfare Expenses	617	490
<b>Total</b>	<b>27,762</b>	<b>23,507</b>
<b>29 Finance costs:</b>		
Bank Interest	8,574	4,967
Bank Charges-Processing Fees	293	622
Other Interest	150	531
<b>Total</b>	<b>9,017</b>	<b>6,120</b>
<b>30 Depreciation</b>		
Depreciation Expenses(Refer note no 4)	6,766	7,500
<b>Total</b>	<b>6,766</b>	<b>7,500</b>
<b>31 Other Expenses</b>		
Power and Fuel	18,269	16,100
Factory Rent	7,347	7,346
Factory Expenses	4,710	4,068
Labour & Transport	20,373	16,433
Repairs & Maintenance	8,052	6,309
Packing Material	7,405	7,413
Export Clearing ,Freight & Forwarding	12,752	8,574
Professional & Legal Charges	9,812	5,623
Travelling Expenses	7,195	7,720
Insurance Charges	3,966	3,032
Rent ,Rates & Electricity	3,210	2,871
Donation	423	562
Auditors Remuneration (Refer note no 35)	453	1,107



**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018****(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
Exchange Gain /Loss	-	(50)
Commission	4,468	3,984
Loss on sales of assets	15	-
Miscellaneous/ Office Expenses	15,263	13,961
Bad Debts	92	310
Compensation to Customer (Refer Note no 43)	-	672
<b>Total</b>	<b>1,23,805</b>	<b>1,06,034</b>

**32 Reconciliation of effective tax rate**

A reconciliation of income tax expense as included in the statement of profit and loss to the amount computed by applying the weighted average enacted income tax rate to income before income taxes is summarized below:

Profit before tax	33,937	23,672
Weighted average enacted tax rates in India	33.06%	33.06%
Computed tax expense	11,220	7,826
<b>Tax effect of:</b>		
Deduction under Chapter VI A	(70)	(109)
Exemption of profit link incentives	(613)	(281)
Other exempt income	(30)	(21)
Others-Interest	776	378
<b>Actual Tax Expense</b>	<b>11,282</b>	<b>7,793</b>
<b>Current Tax</b>	<b>11,830</b>	<b>8,300</b>
<b>Deferred tax</b>	<b>(548)</b>	<b>(507)</b>
<b>Tax expense reported in the statement of profit and loss</b>	<b>11,282</b>	<b>7,793</b>

**33 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.	22,655	15,879
Weighted Average number of shares outstanding during the year - (B)	Nos.	66,99,240	54,74,500
<b>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</b>	<b>Rs.</b>	<b>3.38</b>	<b>2.90</b>

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
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**34 Contingent liabilities and Commitments:****(i) Contingent Liabilities**

(a) Income tax matters not acknowledged as debt	371	371
(b) Dues Raised by M.S.E.B which is protested by Company.	250	250
(c.) Sales Tax demands disputed by the Company relating to forms etc. (Future Cashflows in respect of above are determinable only on receipt of Judgements/decision pending with various forums /authorities. The company is hopeful of succeeding & as such does not expect any significant liability to crystalize.)	105	105

<b>Total</b>	<b>726</b>	<b>726</b>
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**(ii) Commitment**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	2000	500
	<b>2000</b>	<b>500</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>35 Payments to Auditors for the year*</b>		
Auditors' Remuneration & Expenses (including Tax)		
(a) As Auditors	385	443
(b) For Tax Audit	0	213
(c) Certification and Other matters	68	367
(d) Taxation Matters	0	84
* Previous year's payments represents those in respect of the erstwhile statutory auditors.		
<b>Total</b>	<b>453</b>	<b>1107</b>

**36** Based on the guiding principles given in Ind AS 108 - "Operating segments", the Company is primarily engaged in the business of Dyesstuff, Organic Pigments & Organic Intermediates. As the Company's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.

**37 Derivative Instruments and Unhedge Foreign Currency exposure**

Derivative Outstanding as at the Reporting date

	As on March 31, 2018		As on March 31, 2017	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	1,803	1,17,115	-	-

Above derivative instrument have been acquired for hedging purpose

Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

	As on March 31, 2018		As on March 31, 2017	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Trade receivable	2,086	1,35,504	1981	1,28,448
Trade payables & borrowings	408.471	26,538	689	44,690

**38 Related Party Disclosures**

Related parties with whom transactions have taken place during the year:

**I List of Related Parties**

- a) Subsidiary Company  
Shree Ambika Naturals Pvt. Ltd.
- b) Key Management Personal (KMP)  
Mr V. P. Shah  
Dr. S. N. Sahai  
Mr Prasannakimar Gawde  
Mr Jagdeep Mehta  
Ms Trupti Shah
- c) Relatives of KMP  
Ms. Jaya P. Shah  
V. P. Shah HUF  
Ms Mita V Shah  
Mr Mihir V Shah  
Mr Vatsal V Shah

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

- d) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)
- Jayshree Chemicals  
Efferchem Pvt Ltd  
Zeon Chemical industries LLP  
Ganesh Tiles & Marble Industries  
Amar Trading Corporation  
Standardcon Pvt.Ltd.

**II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2018****(Rs. In `000s)**

Nature of transaction	Year	Subsidiary	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	<b>2017-2018</b>	<b>6,455</b>	-	<b>300</b>	<b>45,158</b>
	2016-2017	381	-	2,009	25,651
Sale/Services/Interest	<b>2017-2018</b>	<b>5,280</b>	-	-	<b>10,478</b>
	2016-2017	36	-	-	8,753
Share/Warrant Subscription received	<b>2017-2018</b>	-	<b>3,000</b>	<b>12,000</b>	-
	2016-2017	-	5,000	27,000	-
Mangerial Remuneration /Salary/ Sitting Fees	<b>2017-2018</b>	-	<b>6,122</b>	<b>2,180</b>	-
	2016-2017	-	5,464	1,810	-
Balance Receivable/(Payable)	<b>31-03-2018</b>	<b>1,792</b>	-	<b>20,401</b>	<b>38,518</b>
	31-03-2017	(1,930)	(129)	20,465	34,370
	31-03-2016	(5,517)	(107)	20,420	33,001

**39 Financial Instruments - Accounting Classifications and Fair Value Measurements****(Rs. In `000s)**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

<b>A</b>	<b>Total</b>	<b>Carrying value at Amortised cost</b>	<b>Carrying value at Fair value through Profit &amp; loss</b>		
<b>As at April 01, 2016</b>			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>					
Non-current Investments	16,596	11,297	5,299	-	-
Trade Receivables	1,02,552	1,02,552	-	-	-
Cash and cash equivalents	8,192	8,192	-	-	-
Other bank balances	13,793	13,793	-	-	-
<b>Total</b>	<b>1,41,133</b>	<b>1,35,834</b>	<b>5,299</b>	-	-
<b>Financial liabilities</b>					
Other non-current financial liability	1,982	1,982	-	-	-
Trade and other payables	1,16,768	1,16,768	-	-	-
Other current financial liabilities	66,898	66,898	-	-	-
<b>Total</b>	<b>1,85,648</b>	<b>1,85,648</b>	-	-	-

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

B		Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss			
	As at March 31, 2017			Level 1	Level 2	Level 3	
	Financial assets						
	Non-current Investments	17,903	11,297	6,606	-	-	
	Trade Receivables	1,45,706	1,45,706	-	-	-	
	Cash and cash equivalents	19,031	19,031	-	-	-	
	Other bank balances	27,751	27,751	-	-	-	
	Other Financial Assets	38	38	-	-	-	
	Total	2,10,428	2,03,822	6,606	-	-	
	Financial liabilities						
	Other non-current financial liability	3,967	3,967	-	-	-	
	Trade and other payables	1,53,135	1,53,135	-	-	-	
	Other current financial liabilities	1,02,355	1,02,355	-	-	-	
	Total	2,59,457	2,59,457	-	-	-	
					(Rs. In `000s)		
	C		Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
		As at March 31, 2018			Level 1	Level 2	Level 3
		Financial assets					
		Non-current Investments	20,059	11,297	8,763	-	-
		Trade Receivables	2,81,508	2,81,508	-	-	-
Cash and cash equivalents		1,320	1,320	-	-	-	
Other bank balances		31,857	31,857	-	-	-	
Other Financial Assets		912	912	-	-	-	
Total		3,35,656	3,26,893	8,763	-	-	
Financial liabilities							
Other non-current financial liability		17,234	17,234	-	-	-	
Trade and other payables		2,34,957	2,34,957	-	-	-	
Other current financial liabilities		1,81,666	1,81,212	-	453	-	
Total		4,33,857	4,33,403	-	453	-	

During the reporting period ending 31 March 2018 and 31 March 2017, there was no transfer between level 2 and level 3 fair value measurements.

**Valuation techniques used to determine fair value**

Type	Specific valuation techniques
Non-current investments - others	The use of quoted market prices available.
Financial liabilities on account of derivatives	Fair value is determined using the quotes obtained from the banks.

**40 Financial risk management objectives and policies**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

### Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### i) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of following financial assets represents the maximum credit exposure.

##### **Trade & Other receivable**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, including the default risk of the industry and country in which customers operate and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Credit risk on its receivables is recognised on the statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances are monitored on a monthly basis with the result that the Company's exposure to bad debts is not considered to be material. The Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

##### **Impairment**

**Ageing of trade and other receivables that were not impaired was as follows:**

**(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
<b>Considered Good</b>			
<b>0-12 Months</b>	2,76,911	1,45,277	1,01,819
<b>More Than 1 year</b>	4,597	429	733
<b>Carrying Amount of receivable</b>	<b>2,81,508</b>	<b>1,45,706</b>	<b>1,02,552</b>

Management believes that the unimpaired amounts that are past due by more than 1 year are collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings wherever available.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

##### **Cash & Cash Equivalents**

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

#### ii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Company's short term, medium-term and long term funding and liquidity management requirements.. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

<b>As at 1<sup>st</sup> April, 2016</b>			
<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Other non-current financial liability	-	1,982	1,982
Trade and other payables	1,16,768	-	1,16,768
Other current financial liabilities	66,898	-	66,898
<b>Total Financial Liabilities</b>	<b>1,83,666</b>	<b>1,982</b>	<b>1,85,648</b>

<b>As at 31<sup>st</sup> March, 2017</b>			
<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Other non-current financial liability	-	3,967	3,967
Trade and other payables	1,53,135	-	1,53,135
Other current financial liabilities	1,02,355	-	1,02,355
<b>Total Financial Liabilities</b>	<b>2,55,490</b>	<b>3,967</b>	<b>2,59,457</b>

<b>As at 31<sup>st</sup> March, 2018</b>			
<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
Other non-current financial liability	-	17,234	17,234
Trade and other payables	2,34,957	-	2,34,957
Other current financial liabilities	1,81,666	-	1,81,666
<b>Total Financial Liabilities</b>	<b>4,16,623</b>	<b>17,234</b>	<b>4,33,857</b>

iii) **Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.

a) **Foreign currency risk**

The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Company is exposed to currency risk significantly on account of its trade payables, borrowings and other payables denominated in foreign currency. The functional currency of the Company is Indian Rupee. The Company currently hedge its foreign currency risk by taking foreign exchange forward contracts.

<b>Foreign currency exposure</b>	<b>Currency</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
Trade receivables & Advance	USD in '000	3,904	2,021	1,337
<b>Net exposure to foreign currency risk (assets)</b>		<b>3,904</b>	<b>2,021</b>	<b>1,337</b>
Trade payables	USD in '000	234	338	305
Current Borrowings	USD in '000	175	351	519
Other financial liabilities	USD in '000	44	30	55
<b>Net exposure to foreign currency risk (liabilities)</b>	USD in '000	<b>453</b>	<b>719</b>	<b>880</b>
<b>Rupee Conversion Rate</b>		64.97	64.85	66.63



## Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018

### Foreign currency sensitivity

The Company is exposed to the currencies as mentioned above. The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A reasonably possible strengthening (weakening) of the Indian Rupee against other currencies at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Foreign currency	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	11,211	(11,211)	4,224	(4,224)
<b>Increase / (decrease) in profit and loss</b>	<b>11,211</b>	<b>(11,211)</b>	<b>4,224</b>	<b>(4,224)</b>

### b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

### Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing borrowings is as follows:

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Current Borrowings			
Variable rate borrowings	1,70,929	1,00,569	65,421
	<b>1,70,929</b>	<b>1,00,569</b>	<b>65,421</b>

### Interest rate risk sensitivity

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(855)	855	(503)	503
<b>Increase / (decrease) in profit and loss</b>	<b>(855)</b>	<b>855</b>	<b>(503)</b>	<b>503</b>

**Notes to the financial statements for the Year Ended 31<sup>st</sup> March, 2018**

**41 Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company and borrowings.

The Company manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
Borrowings (long-term and short-term borrowings including current maturities)	1,70,929	1,00,569	65,421
Cash & Cash Equivalent including Other current financial asset	34,089	46,820	21,985
<b>Adjusted net debt</b>	1,36,840	53,749	43,436
<b>Total Equity</b>	2,55,673	1,95,345	1,40,203
Adjusted net debt to equity ratio	0.54	0.28	0.31

**42 In compliance with Ind AS 27 "Separate Financial Statements" the required information is as under**

<b>Indian Subsidiary</b>	<b>Percentage of ownership Interest as on</b>		
	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1<sup>st</sup> April, 2016</b>
Shri Ambika Naturals Private Ltd	56.04%	56.04%	56.04%

**43** During the previous year, Export Customer was allowed compensation/discount of Rs. 672 ('000) to compensate against loss incurred at the time of remittance against our Export receivables.

**44** 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 filed an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.

**45** 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 which are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.

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

**47** The previous years Financial Statements were audited by a firm other than R. A. Kuvadia & Co.

**In terms of our report attached.**

**For R. A. Kuvadia & Co.**

**Chartered Accountants**

**Firm Registration No. 105487W**

**R. A. Kuvadia**

**Proprietor**

**Membership No. 040087**

**Mumbai**

**Dated : 30<sup>th</sup> May, 2018**

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

**Vipul Organics Limited**

**Vipul P. Shah**  
**Managing Director**  
**DIN: 00181636**

**Dr. Shiv Nath Sahai**  
**Whole-Time Director & CFO**  
**DIN: 00332652**

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

## Independent Auditor's Report

### To the Members of Vipul Organics Limited

#### Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Vipul Organics Limited ("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 31<sup>st</sup> March, 2018 and Consolidated Statement of Profit and Loss (including Other Comprehensive Income) the Consolidated Cash Flow statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian 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 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS 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 Holding 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. 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 Ind AS 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 Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Group as at 31 March 2018, its profits including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Other Matter

- 1) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 8955('000) as at 31<sup>st</sup> March, 2018, total revenues of Rs. 8163('000) and cash inflows amounting to Rs. 13('000) for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- 2) The comparative financial information for the transition date opening balance sheet as at 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017 prepared in accordance with Ind AS included in these Consolidated financial statements, is based on the previously issued statutory financial statements for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 on which predecessor auditor has issued unmodified opinion and have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS.

Our opinion is not modified in respect of above matter.

**Report on Other Legal and Regulatory Requirements**

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 Holding Company so far as it appears from our examination of those books;
- (c) the Consolidated Balance Sheet , Consolidated Statement of Profit and Loss (including other Comprehensive Income) , Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid Consolidated Ind AS financial statements comply the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder;
- (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, we give 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 Ind AS Financial Statements has disclosed impact of pending litigation on its consolidated financial position of the Group.(refer note 34 on contingent liabilities).
  - 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 delay in transferring amounts, required to be transferred ,to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

**For R. A. Kuvadia & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 105487W**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2018**

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**

**“Annexure A” to the Independent Auditor’s Report to members of Vipul Organics Limited  
of even date on the Consolidated Ind AS Financial Statements**

**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 31<sup>st</sup> March, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Group 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 are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control 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 Holding 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 Holding Company and its subsidiary 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 Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the subsidiary company is sufficient and appropriate to provide a basis for our audit opinion on the 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 Consolidated Ind AS 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 Consolidated 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 Consolidated Ind AS 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, to the best of our information and according to the explanations given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, has, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company incorporated in India, is based on the corresponding report of the auditor of such company .

**For R. A. Kuvadia & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 105487W**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2018**

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

	Note No.	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	(Rs. In `000s) 1 <sup>st</sup> April, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	4	64,289	64,730	58,351
Capital work-in-progress	4	51,733	12,645	1,271
Intangible Capital work-in-progress	4	1,826	-	-
Other Investment-Financial Asset	5	8,804	6,648	5,341
Other non-current assets	6	71,544	57,168	53,120
		<b>198,195</b>	<b>141,191</b>	<b>118,083</b>
<b>Current Assets</b>				
Inventories	7	89,548	76,828	51,375
<b>Financial assets</b>				
Trade receivables	8	286,292	148,022	103,918
Cash and Cash equivalents	9	1,550	19,247	8,324
Other bank balances	10	31,857	27,751	13,793
Other Financial assets	11	912	38	-
Other current assets	12	96,632	46,978	34,826
		<b>506,790</b>	<b>318,864</b>	<b>212,236</b>
<b>TOTAL</b>		<b>704,986</b>	<b>460,055</b>	<b>330,319</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	13	77,245	62,645	54,745
Other Equity	14	176,252	116,057	83,074
Advance Subscription against share warrants	15	-	14,600	-
<b>Equity attributable to owners of the company</b>		<b>253,497</b>	<b>193,302</b>	<b>137,819</b>
<b>Non Controlling Interest</b>		<b>(1,458)</b>	<b>(1,353)</b>	<b>(1,331)</b>
<b>Total equity</b>		<b>252,039</b>	<b>191,949</b>	<b>136,488</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	17,234	3,967	1,982
Non Current provisions	17	264	264	269
Deferred tax liabilities (Net)	18	447	776	1,305
		<b>17,945</b>	<b>5,007</b>	<b>3,556</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	166,215	99,484	62,193
Trade payables	20	-	-	-
Total Outstanding Dues -Micro and small enterprises		-	-	-
Total Outstanding Dues -Other than micro & small enterprises		235,279	151,523	113,999
Other Financial liabilities	21	15,565	2,909	4,740
Other current liabilities	22	6,281	4,244	5,502
Short-term provisions	23	11,662	4,939	3,842
		<b>435,001</b>	<b>263,099</b>	<b>190,276</b>
<b>TOTAL</b>		<b>704,986</b>	<b>460,055</b>	<b>330,319</b>
See accompanying notes to the financial statements				

In terms of our report attached.

For R. A. Kuvadia &amp; Co.

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

For and on behalf of the Board of Directors

Vipul Organics Limited

 Vipul P. Shah  
 Managing Director  
 DIN: 00181636

 Dr. Shiv Nath Sahai  
 Whole-Time Director & CFO  
 DIN: 00332652

Mumbai

Dated : 30<sup>th</sup> May, 2018
 Rishika Puri  
 Company Secretary & Compliance Officer  
 Membership No.: A49818

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(Rs. In `000s)

	Note No.	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>I. Revenue from operations</b>	24	793,999	581,457
<b>II. Other income</b>	25	6,971	5,549
<b>III. Total Revenue (I + II)</b>		<b>800,969</b>	<b>587,006</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26	194,885	167,155
Purchases of Stock-in-Trade	26	415,417	264,373
Changes in Inventories of Stock-in-Trade	27	(8,758)	(22,961)
Excise Duty		1,981	9,850
Employee benefits expense	28	29,021	24,210
Finance costs	29	9,017	6,134
Depreciation	30	7,035	7,828
Other Expenses	31	118,452	106,449
<b>Total expenses</b>		<b>767,050</b>	<b>563,037</b>
<b>V. Profit before tax (III-IV)</b>		<b>33,919</b>	<b>23,969</b>
<b>VI. Tax expense:</b>			
(1) Current tax	32	11,830	8,300
(2) Deferred tax		(329)	(529)
<b>Total Tax expense</b>		<b>11,501</b>	<b>7,771</b>
<b>VII. Profit for the year (V-VI)</b>		<b>22,418</b>	<b>16,198</b>
<b>VIII. Other comprehensive income/(loss) net of tax</b>		-	-
<b>IX. Total comprehensive income net of tax (VII+VIII)</b>		<b>22,418</b>	<b>16,198</b>
<b>Total comprehensive income attributable to: Non-controlling interest</b>		<b>(104)</b>	<b>(22)</b>
<b>Total comprehensive income attributable to Owners of equity</b>		<b>22,522</b>	<b>16,220</b>
		<b>22,418</b>	<b>16,198</b>
<b>X Earnings per equity share:</b>	33		
(1) Basic		<b>3.36</b>	<b>2.96</b>
(2) Diluted		<b>3.36</b>	<b>2.96</b>
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached.

For R. A. Kuvadia & Co.

Chartered Accountants

Firm Registration No. 105487W

For and on behalf of the Board of Directors

Vipul Organics Limited

R. A. Kuvadia

Proprietor

Membership No. 040087

Vipul P. Shah  
Managing Director  
DIN: 00181636

Dr. Shiv Nath Sahai  
Whole-Time Director & CFO  
DIN: 00332652

Mumbai

Dated : 30<sup>th</sup> May, 2018

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

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018****(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax</b>	<b>33,919</b>	<b>23,969</b>
Adjustments for:		
Depreciation and Amortisation	7,035	7,828
Finance Cost	9,017	6,134
Dividend Income	(91)	(64)
Gain on fair value of financial asset	(2,156)	(1,307)
Interest Income	(4,723)	(3,585)
Sundry Balance written back	-	(594)
Bad Debts written off	92	310
Profit/Loss on sale of Fixed Assets	15	-
	<u>9,188</u>	<u>8,722</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>43,107</b>	<b>32,691</b>
(Increase) / Decrease in Inventories	(12,720)	(25,453)
(Increase) / Decrease in Trade receivables	(138,363)	(44,413)
(Increase) / Decrease in Other Financial assets	(4,979)	(13,996)
(Increase) / Decrease in Other Current assets	(49,663)	(12,266)
(Increase) / Decrease in Other Non Current assets	(14,376)	(4,048)
(Decrease) / Increase in Trade payables	83,756	38,118
(Decrease) / Increase in Other financial liabilities	12,360	(1,880)
(Decrease) / Increase in Other current liabilities	2,037	(1,263)
	<u>(121,948)</u>	<u>(65,201)</u>
Cash Generated from Operations	(78,841)	(32,510)
Direct Taxes Paid (including TDS) Net	(5,074)	(8,272)
<b>Net Cash Flow from Operating Activities</b>	<b>- A (83,915)</b>	<b>(40,782)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible ,Intangible Assets and Capital Work in Progress	(47,522)	(25,581)
Dividend Income	91	64
Interest Income	4,723	3,585
<b>Net Cash used in Investing Activities</b>	<b>- B (42,708)</b>	<b>(21,932)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Share issue / Share Application Received	43,800	46,200
(Decrease) / Increase in long term Borrowings (net)	13,267	1,985
(Decrease) / Increase in Short term Borrowings (net)	66,731	37,291
Dividend & Tax thereon Paid	(5,856)	(5,705)
Interest Paid	(9,017)	(6,134)
<b>Net Cash from Financing Activities</b>	<b>- C 108,926</b>	<b>73,637</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>- A+B+C (17,697)</b>	<b>10,923</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks	<u>1,550</u>	<u>19,247</u>
Less: Cash and Cash Equivalents as at the beginning of the year	<u>19,247</u>	<u>8,324</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(17,697)</b>	<b>10,923</b>
Note:		
Figures in bracket denote outflow of cash.		
See accompanying notes to the financial statements		

In terms of our report attached.

For R. A. Kuvadia &amp; Co.

Chartered Accountants

Firm Registration No. 105487W

For and on behalf of the Board of Directors

Vipul Organics Limited

R. A. Kuvadia

Proprietor

Membership No. 040087

 Vipul P. Shah  
 Managing Director  
 DIN: 00181636

 Dr. Shiv Nath Sahai  
 Whole-Time Director & CFO  
 DIN: 00332652

Mumbai

Dated : 30<sup>th</sup> May, 2018
 Rishika Puri  
 Company Secretary & Compliance Officer  
 Membership No.: A49818

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2018**

(Rs. In `000s)

**a. Equity shares of INR 10 each issued, subscribed and fully paid**

	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning of the reporting period	6,264,500	62,645	5,474,500	54,745	5,474,500	54,745
Changes in equity share capital during the year	1,460,000	14,600	790,000	7,900	-	-
<b>Balance at the end of the reporting period</b>	<b>7,724,500</b>	<b>77,245</b>	<b>6,264,500</b>	<b>62,645</b>	<b>5,474,500</b>	<b>54,745</b>

**b. Other Equity**

	Reserves and Surplus					
	Securities premium	Capital reserve	General reserve	Consolidation reserve	Retained earnings	Total
<b>Balance at 01 April 2016</b>	<b>29,478</b>	<b>6,278</b>	<b>9,010</b>	<b>48</b>	<b>38,260</b>	<b>83,074</b>
Profit for the year	-	-	-	-	16,220	16,220
Addition / reduction during the year	23,700	-	-	-	(6,937)	16,763
<b>Balance at 31 March 2017</b>	<b>53,178</b>	<b>6,278</b>	<b>9,010</b>	<b>48</b>	<b>47,544</b>	<b>116,057</b>
Profit for the year	-	-	-	-	22,522	22,522
Addition / reduction during the year	43,800	-	-	-	(6,127)	37,673
<b>Balance at 31 March 2018</b>	<b>96,978</b>	<b>6,278</b>	<b>9,010</b>	<b>48</b>	<b>63,938</b>	<b>176,252</b>

In terms of our report attached.

For R. A. Kuvadia & Co.

Chartered Accountants

Firm Registration No. 105487W

For and on behalf of the Board of Directors

Vipul Organics Limited

R. A. Kuvadia

Proprietor

Membership No. 040087

Vipul P. Shah

Managing Director

DIN: 00181636

Dr. Shiv Nath Sahai

Whole-Time Director & CFO

DIN: 00332652

Mumbai

Dated : 30<sup>th</sup> May, 2018

Rishika Puri

Company Secretary & Compliance Officer

Membership No.: A49818

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018****Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018****1.1 Corporate Information**

Vipul Organics Limited is a public limited domiciled in India incorporated under the provisions of the Companies Act ('the company') having its registered office at 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai 400053. The Group's principal activities are manufacturing & trading of Dyes stuff, Organic Pigments & Organic Intermediates.

The Consolidated financial statements for the year ended March 31, 2018 were considered by the Board of Directors and approved for issuance on 30th May, 2018.

**1.2 Statement of Compliance**

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017 the Group prepared its financial statements in accordance with requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date for transition to Ind AS is April 1, 2016.

**1.3 Basis of preparation and presentation**

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

**1.4. Basis for Consolidation & Principles for Consolidation**

The consolidated financial statements include the financial statements of the Vipul Organics Limited, Holding Company and its Subsidiary Shree Ambika Naturals Private Limited.

The Group combines the financial statements of the Holding and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses and gains resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases. Excess of acquisition cost over the carrying amount of the Holding's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Consolidation reserve' and classified under 'Reserves and Surplus'. As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements. The non-controlling interests comprise the portion of equity of subsidiaries that are not owned, directly or indirectly, by the Group. Non-controlling interest in the

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018

results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

### 1.5. Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the Group's functional currency. All amounts have been rounded to the nearest thousands, unless otherwise indicated.

### 2. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the financial statements.

#### 2.1 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.

#### 2.2 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### 2.3 Litigation

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

### 3. Significant Accounting Policies

#### 3.1 Property, plant and equipment:

Items of property, plant and equipment are stated at cost, less accumulated depreciation & impairment losses, if any. Cost comprises a) the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest if any.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018****3.2. Depreciation**

Depreciation on Property, plant and equipment has been provided on written down value basis and manner prescribed in Schedule II to the Act. Depreciation on additions during the year has been provided on prorata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on prorata basis. Leasehold assets are amortized over the primary period of lease or its useful life, whichever is shorter on a straight line basis.

**3.3. Intangible assets**

Intangible assets are recognized, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Computer software is amortized on straight line basis over a period of its estimated useful life,

**3.4. Impairment of tangible and intangible assets**

Group at the end of each reporting period reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in statement of profit and loss. A reversal of an impairment loss is also recognised immediately in Statement of Profit and Loss.

**3.5. Financial instruments****Financial assets**

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

**Initial recognition and measurement**

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

**Classification and subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortised cost, fair value through OCI or fair value through profit and loss.

**Financial assets amortised at cost**

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

**Financial assets at fair value through other comprehensive income**

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

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018

Further, Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition (April 1, 2016). Also, in accordance with Ind AS 27 Group has elected the policy to account investments in subsidiaries at cost.

### Derecognition:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset and shall be recognised either to statement of profit & loss or OCI o as per classification of the respective asset.

### Financial Liabilities

#### Initial Recognition and Measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument .Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

#### Subsequent measurement

Financial liabilities are subsequently carried at fair value through profit and loss. For trade payables and other liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

#### Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Group has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

### 3.6. Inventories

Inventories comprising of raw material & finished goods are carried at lower of cost and net realizable value. Cost is determined by using the First in First Out formula. Costs comprise all cost of purchase, cost of conversion and cost incurred in bringing the inventory to their present location and condition other than those subsequently recoverable by the Company from tax authorities.

Packing material, Stores & spares consumables are charged to revenue account.

### 3.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax. 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.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the right to receive payment has been established

### 3.8. Foreign currencies

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 3.9. Borrowing Cost

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR .

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the Profit and loss account in the year in which they are incurred.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018****3.10. Leases**

Leases are classified as finance leases whenever the (substantial value of the assets is initially paid as nonrefundable lease premium) and terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefit accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**3.11. Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**3.12. Employee benefits**

Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation at the end of each financial year.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**3.13. Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

### 3.14. Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 3.15. Research and development expenses

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized as expense in the statement of profit and loss when incurred.

Expenditure incurred on fixed assets used for research and development is capitalized and depreciated in accordance with the depreciation policy of the respective Company.

### 3.16. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.17. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognized in the financial statements.

### 3.18. Current / non- current classification

An asset is classified as current if:

- i) it is expected to be realized or sold or consumed in the Groups normal operating cycle;
- ii) it is held primarily for the purpose of trade;
- iii) it is expected to be realized within twelve months after the reporting period; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- i) it is expected to be settled in normal operating cycle;
- ii) it is held primarily for the purpose of trading;
- iii) it is expected to be settled within twelve months after the reporting period;
- iv) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

### Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### 3.19 First Time Adoption of Ind AS

These are the Groups's first Consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out have been applied in preparing the Consolidated financial statements for the year ended 31 March 2018, the comparative information presented in these Consolidated financial statements as at and for the year ended 31 March 2017 and in the preparation of the opening Consolidated Ind AS balance sheet at 1 April 2016 (the Group's date of transition). In preparing its opening Consolidated Ind AS balance sheet, the Group has adjusted the amounts reported previously in Consolidated financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, ('previous GAAP' or 'IGAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Groups's financial position, financial performance and cash flows is set out in the following tables and notes.

The following tables represent the reconciliations from erstwhile Indian GAAP to Ind AS.

(Rs. In `000s)

#### Reconciliation of Equity as at 31 March 2017 and 1 April 2016

Particulars	Note no.	As on 31 March 2017	As on 1 April 2016
<b>Net worth under previous GAAP</b>		<b>184,126</b>	<b>130,222</b>
<b>Summary of Ind AS adjustments</b>			
Fair value of security deposit	a	4,417	1,918
Prepaid Rent Amortisation	a	(4,668)	(2,122)
Fair valuation of Investment	b	3,860	2,553
Deferred Revenue Expenditure	c	(548)	(600)
Proposed Dividend	d	6,032	5,779
Impact of deferred tax on above adjustment		83	68
<b>Total Ind AS adjustments</b>		<b>9,176</b>	<b>7,596</b>
<b>Total net worth as per financial statements</b>		<b>193,302</b>	<b>137,819</b>

#### Reconciliation of comprehensive income for the year ended on 31 March 2017

Particulars	Year ended March 31, 2017
<b>Profit under previous GAAP</b>	<b>14,871</b>
<b>Ind AS adjustments</b>	
Fair value of security deposit	a 2,498
Prepaid Rent Amortisation	a (2,546)
Fair valuation of Investment	b 1,307
Deferred Revenue Expenditure	c 53
Impact of deferred tax on above adjustment	16
<b>Profit under Ind AS</b>	<b>16,198</b>
Other comprehensive income (Net of deferred tax)	-
<b>Total comprehensive income under Ind AS</b>	<b>16,198</b>

#### Notes to the reconciliation:

- Under previous GAAP, security deposits are carried at their face values. Under Ind AS, non-cancellable deposits (not statutory deposits in nature) are required to be measured at their fair values at inception using an appropriate discounting rate.
- Under previous GAAP, Quoted Investments were carried at cost. Under Ind AS, Quoted Investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Statement of Profit and Loss.
- Under previous GAAP, deferred revenue expenditure was amortised. Under Ind AS, same is transferred to Statement of Profit and Loss.
- Under previous GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

#### Statement of cash flows:

The transition from Indian GAAP to Ind AS does not have a material impact on the Statement of Cash Flows.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

**4 Property, plant and equipment**

(Rs. In `000s)

	Gross Block			Accumulated depreciation / amortisation			Net block	
	As at April 01, 2017	Additions during the year	Deletion during the year	As at March 31, 2018	As at April 01, 2017	Additions during the year	As at March 31, 2017	As at March 31, 2018
<b>A Property, plant and equipment</b>								
Factory Land	27,039	-	-	27,039	-	-	27,039	27,039
Factory Building	5,249	-	-	5,249	527	469	4,723	4,254
Plant & Machinery	29,431	5,766	-	35,196	3,955	4,168	25,475	27,073
Furniture & Fixtures	3,686	30	-	3,716	968	718	2,718	2,030
Motor Car	5,407	-	-	5,407	1,706	1,168	3,701	2,533
Office Equipment	784	539	79	1,243	347	287	437	654
Computer	527	295	-	822	304	206	223	312
Office Building	435	-	-	435	21	20	414	394
<b>Total A</b>	<b>72,558</b>	<b>6,629</b>	<b>79</b>	<b>79,107</b>	<b>7,828</b>	<b>7,035</b>	<b>64,730</b>	<b>64,289</b>
<b>B Capital work-in-progress</b>	12,645	41,533	2,446	51,733	-	-	12,645	51,733
<b>Total B</b>	<b>12,645</b>	<b>41,533</b>	<b>2,446</b>	<b>51,733</b>	<b>-</b>	<b>-</b>	<b>12,645</b>	<b>51,733</b>
<b>C Intangible assets under development</b>								
Software development	-	1,826	-	1,826	-	-	-	1,826
<b>Total C</b>	<b>-</b>	<b>1,826</b>	<b>-</b>	<b>1,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,826</b>

The Group has elected to measure other items of property, plant and equipment at the previous GAAP carrying amount i.e 31<sup>st</sup> March 2016 as its deemed cost on the date of transition to Ind AS i.e 1st April 2016. The Group has adopted cost model as their accounting policy for subsequent measurement and recognition of Property, plant and equipment.

Some assets of which the Group is beneficial owner are pending for transfer in the name of the Group. Refer note 16 & 19 for assets provided as security.

(Rs. In `000s)

	Gross Block			Accumulated depreciation / amortisation			Net block	
	As at April 01, 2016	Additions during the year	Deletion during the year	As at March 31, 2017	As at April 01, 2016	Additions during the year	As at April 01, 2016	As at March 31, 2017
<b>A Property, plant and equipment</b>								
Factory Land	16,485	10,554	-	27,039	-	-	16,485	27,039
Factory Building	5,249	-	-	5,249	-	527	5,249	4,723
Plant & Machinery	26,104	3,327	-	29,431	-	3,955	26,104	25,475
Furniture & Fixtures	3,686	-	-	3,686	-	968	3,686	2,718
Vehicles	5,407	-	-	5,407	-	1,706	5,407	3,701
Office Equipment	656	127	-	784	-	347	656	437
Computer	329	198	-	527	-	304	329	223
Office Building	435	-	-	435	-	21,21	435	414
<b>Total A</b>	<b>58,351</b>	<b>14,206.30</b>	<b>-</b>	<b>72,558</b>	<b>-</b>	<b>7,828</b>	<b>58,351</b>	<b>64,730</b>
<b>B Capital work-in-progress</b>	1,271	11,374	-	12,645	-	-	1,271	12,645
<b>Total B</b>	<b>1,271</b>	<b>11,374</b>	<b>-</b>	<b>12,645</b>	<b>-</b>	<b>-</b>	<b>1,271</b>	<b>12,645</b>



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

Gross block, accumulated depreciation and net block as per Previous GAAP as at April 1, 2016

	Gross Block	Accumulated depreciation	Net block
<b>A Property, plant and equipment</b>			
Factory Land	16,485	-	16,485
Factory Building	9,604	4,355	5,249
Plant & Machinery	57,743	31,639	26,104
Furniture & Fixtures	7,141	3,456	3,686
Vehicles	11,636	6,229	5,407
Office Equipment	2,965	2,309	656
Computer	2,466	2,137	329
Office Building	635	200	435
<b>Total A</b>	<b>108,676</b>	<b>50,324.87</b>	<b>58,351</b>

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1st April, 2016
<b>5 Non-Current Investments:</b>			
<b>(a) Investments in Equity Instruments</b>			
Equity Shares (Quoted & carried at fair value through Profit & loss)	8,763	6,606	5,299
<b>(b) Investments in Government Securities :</b>			
Government Securities (Unquoted at cost) (Deposited with Government authorities)	1	1	1
<b>(c) Investments in Debentures:</b>			
Debentures (at Cost)	41	41	41
<b>Total</b>	<b>8,804</b>	<b>6,648</b>	<b>5,341</b>

**Investment in Equity Shares (quoted) (fully paid up) at Fair Value through Profit and Loss**

(Rs. In `000s)

	As at					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	385	1,000	394	1,000	273
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	18	100	9	100	8
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	304	2,500	401	2,500	183
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	179	8,400	365	8,400	1,544
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	102	895	117	895	58
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	17	1,000	16	1,000	18
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	91	1,250	79	1,250	87
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	208	500	141	500	55
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	90	346	87	346	94
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	1,730	1,334	346	1,053	346	584
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	3,827	20,000	1,877	20,000	923
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	306	500	338	500	324

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

	<b>As at</b>					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	258	3,000	238	3,000	128
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.10 Each)	6,000	1,388	3,000	1,209	3,000	752
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	204	9,900	216	9,900	236
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	52	1,000	69	1,000	31
		<b>8,763</b>		<b>6,606</b>		<b>5,299</b>
						<b>(Rs. In `000s)</b>
	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1st April, 2016</b>			
<b>6 Other Non Current Assets</b>						
<b>(Unsecured and considered good)</b>						
Capital Advances-Related (Refer note 38)		20,475	20,475		20,475	
Capital Advances-Others		10,511	214		308	
Deposits with Government Authorities and Others (Refer note 38 & 45)		40,558	36,479		32,337	
<b>Total</b>		<b>71,544</b>	<b>57,168</b>		<b>53,120</b>	
						<b>(Rs. In `000s)</b>
	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>1st April, 2016</b>			
<b>7 Inventories</b>						
(At cost or net realisable value whichever is lower)						
(a) Raw materials		25,559	21,597		19,105	
(b) Finished goods		63,989	55,231		32,270	
<b>Total</b>		<b>89,548</b>	<b>76,828</b>		<b>51,375</b>	
<b>8 Trade receivables (Unsecured)</b>						
Considered Good						
Overdue Trade Receivables		6,458	1,691		733	
Trade Receivables		279,834	146,331		103,185	
<b>Total</b>		<b>286,292</b>	<b>148,022</b>		<b>103,918</b>	
<b>9 Cash and Cash equivalents:</b>						
Balances with Scheduled Bank:						
In Current Account		948	18,698		7,585	
Cash in Hand		602	549		740	
<b>Total</b>		<b>1,550</b>	<b>19,247</b>		<b>8,324</b>	
<b>10 Other bank balances</b>						
Earmarked Balance						
Unpaid Dividend Account		1,368	1,105		1,060	
In Fixed deposit		30,488	26,647		12,733	
<b>Total</b>		<b>31,857</b>	<b>27,751</b>		<b>13,793</b>	
<b>11 Other Financial assets</b>						
Accrued Interest		912	38		-	
<b>Total</b>		<b>912</b>	<b>38</b>		<b>-</b>	

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

(Rs. In `000s)			
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1st April, 2016
<b>12 Other current assets:</b>			
(Unsecured and considered good)			
Loans and advances to Related parties (refer Note no 46)	12,444	6,945	8,350
Loans and advances to Employees	415	440	-
Prepaid Expenses	978	6,155	3,626
Balance with Government Authorities			
Excise	1,598	8,405	4,398
GST	55,404	-	-
MVAT Refund	5,508	7,045	6,330
Service Tax	758	2,617	2,416
Advances recoverable in cash or kind or for value to be received			
Export Incentive	11,264	7,093	9,024
Advance to Suppliers	8,176	8,180	468
Others	87	99	212
<b>Total</b>	<b>96,632</b>	<b>46,978</b>	<b>34,826</b>

(Rs. In `000s)  
(Except no of shares)

		31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017		1st April, 2016	
		No of shares	Amount	No of shares	Amount	No of shares	Amount
<b>13 Equity Share capital:</b>							
<b>a) Equity Share capital</b>							
<b><u>Authorised Share Capital:</u></b>							
Equity shares of Rs.10 each	10,000,000	100,000	10,000,000	100,000	7,000,000	70,000	
<b><u>Issued, Subscribed and Fully Paid-up Shares:</u></b>							
Equity shares of Rs.10 each fully paid up	7,724,500	77,245	6,264,500	62,645	5,474,500	54,745	
<b>b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.</b>							
Outstanding at beginning of the year	6,264,500	62,645	5,474,500	54,745	5,474,500	54,745	
Issued During the Year **	1,460,000	14,600	790,000	7,900	-	-	
<b>Balance as at End of Year</b>	<b>7,724,500</b>	<b>77,245</b>	<b>6,264,500</b>	<b>62,645</b>	<b>5,474,500</b>	<b>54,745</b>	

\*\* Issued equity shares at a premium of Rs 30 per share on conversion of even no warrants issued on preferential basis .

**c) Terms / rights attached to equity shares**

Fully paid equity shares, which have a par value of Rs. 10/-, carry one vote per share and carry a right to dividends.

Dividends if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their judgement the position of the Group justifies.

During the year ended March 31, 2018, the amount of per share dividend recognised as Rs 0.80 (March 31, 2017 Rs. 0.80)

In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017		1st April, 2016	
	No of shares	% of Holding	No of shares	%	No of shares	%
<b>d) List of shareholders who holds more than 5% of equity shares in the company:</b>						
<b>Name of the shareholders</b>						
Vipul P. Shah	926,100	11.99%	826,100	13.19%	726,100	13.26%
Mihir V. Shah	1,160,600	15.02%	1,060,600	16.93%	960,600	17.55%
Vatsal V. Shah	686,050	8.88%	586,050	9.36%	486,050	8.88%
Mita V. Shah	439,500	5.69%	339,500	5.42%	239,500	4.37%
Jaya P. Shah	439,500	5.69%	250,000	3.99%	-	0.00%
	<b>3,651,750</b>	<b>47.27%</b>	<b>3,062,250</b>	<b>48.88%</b>	<b>2,412,250</b>	<b>44.06%</b>

e) Aggregate number of shares issued during last five years pursuant to Stock Option Plans Nil

f) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date Nil

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1st April, 2016
<b>14 Other Equity</b>			
Capital Reserve	6,278	6,278	6,278
Securities Premium	96,978	53,178	29,478
Consolidation Reserve	48	48	48
General Reserve	9,010	9,010	9,010
Retained Earnings	63,938	47,544	38,260.45
<b>Total</b>	<b>176,252</b>	<b>116,057</b>	<b>83,074</b>
<b>Reserves and surplus:</b>			
<b>14.1 Capital Reserve</b>			
Balance at beginning of year	6,278	6,278	
Balance at end of year	<b>6,278</b>	<b>6,278</b>	
<b>14.2 Securities Premium Account:</b>			
Balance at beginning of year	53,178	29,478	
Add /Less: Premium on Issue Of Equity Shares	43,800	23,700	
Balance at end of year	<b>96,978</b>	<b>53,178</b>	
<b>14.3 Consolidation Reserve</b>			
Balance at beginning of year	48	48	
Balance at end of year	<b>48</b>	<b>48</b>	
<b>14.4 General Reserve</b>			
Balance at beginning of year	9,010	9,010	
Balance at end of year	<b>9,010</b>	<b>9,010</b>	
<b>14.5 Retained Earnings</b>			
Balance at beginning of year	47,544	38,260	
Add: Profit after Tax for the year	22,522	16,220	
Less: Appropriations:			
Tax Adjustments & Others	(95)	(1,705)	
Dividend - Final	(5,012)	(4,380)	
Corporate Dividend Tax thereon	(1,020)	(852)	
Balance at end of year	<b>63,938</b>	<b>47,544</b>	

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>Proposed dividend on equity shares not recognised</b>			
Final dividend for the year ended Rs. 0.8 per share (PY Rs. 0.8 per share)	6,180	5,012	
Dividend distribution tax on proposed dividend	1,258	1,020	
<b>15 Advance Subscription against share warrants</b>			
Preferential Share Warrant			
14,60,000 (Previous year 22,50,000) Preferential Share warrant paid up Rs. 10 each	14,600	22,500	
Less : 14,60,000 (Previous Year 7,90,000) Preferential Share Warrant converted into Equity Shares	14,600	7,900	
	<u>-</u>	<u>14,600</u>	

The Holding Company had 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 Rs. 10/- each fully paid up. The holders of warrants had a right to apply for one equity shares of Rs. 10/- each at a premium of Rs. 30/- within a period 18 months from the date of allotment. Against this, Holding company had received Rs. 10 per warrant.

	(Rs. In `000s)		
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>16 Long term borrowings:</b>			
<b><u>Secured Loans</u></b>			
<b>Term Loan from Bank</b>			
Loan from Bank Against Vehicles	-	1,010	1,982
Loan from Bank Against Proposed Plant & Machinery / Factory Building Tarapore	17,234	2,957	-
<b>Total</b>	<u><b>17,234</b></u>	<u><b>3,967</b></u>	<u><b>1,982</b></u>

**Term Loans from Banks-Against Vehicles**

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

Rs. Nil ('000) (Previous Year Rs. 1009 ('000)) secured by hypothecation of vehicles from HDFC Bank Ltd. Equal monthly instalments over the period of loan by 5th February, 2019 and carry interest rate of 10.01 % p.a.

Rs. 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 Tarapore**

Rs. 20938 ('000) (Previous Year Rs. 2957 ('000)) secured by hypothecation of Proposed Plant & Machinery and Factory Building at Tarapore wherein in Term loan sanctioned for Rs 700 Lakhs principal payable in equal monthly installment of Rs. 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.

	(Rs. In `000s)		
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>17 Non Current Provision</b>			
Provision for Gratuity	264	264	269
<b>Total</b>	<u><b>264</b></u>	<u><b>264</b></u>	<u><b>269</b></u>
<b>18 Deferred Tax Liabilities</b>			
<b>Major components of deferred tax are:</b>			
Related to Property, Plant & Equipment	1,648	2,295	2,795
Business Loss & Others	(1,201)	(1,519)	(1,490)
<b>Net Deferred Tax Liability</b>	<u><b>447</b></u>	<u><b>776</b></u>	<u><b>1,305</b></u>
<b>19 Short-term borrowings:</b>			
<b>Loans repayable on demand</b>			
From banks			
Secured	166,215	99,484	62,193
<b>Total</b>	<u><b>166,215</b></u>	<u><b>99,484</b></u>	<u><b>62,193</b></u>

### Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018

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:-

- i) EMDTD of land property & building with machinery/electricals installation situated at Plot no 12 ,Survey no 35,Dewan & Sons Industrial Estate,Palghar
- ii) Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate ,Palghar.
- iii) Land & Building along with machineries at Plot no 10 & 16, Diwan & Sons Ind.Est.Palghar & Machinery at Plot no 10 of Jayshree Chemicals.
- iv) Factory Land at Plot no T-1115 ,Tarapur Industrial Area,Village Pamtembhi ,Taluka Palghar,Thane
- vi) Also covered in personal guarantee of 2 directors & corporate guarantee of Jayshree Chemicals .

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>20 Trade payables</b>			
Total Outstanding Dues -Micro and small enterprises	-	-	-
Total Outstanding Dues -Other than micro & small enterprises **	228,863	141,257	99,071
Acceptances	6,416	10,266	14,928
<b>Total</b>	<b>235,279</b>	<b>151,523</b>	<b>113,999</b>

\*\* The Group does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Group owes any amount .However, the group has not received any claims for interest from any of the suppliers.

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
<b>21 Other Financial Liabilities:</b>			
Creditors for Fixed Assets & Provision for Expenses	8,798	669	407
Current Matuirty of long term	4,714	1,085	3,228
Unclaimed Dividend	1,400	1,104	1,055
Financial liability on account of derivatives	453	-	-
Deposit from Dealers	200	50	50
<b>Total</b>	<b>15,565</b>	<b>2,909</b>	<b>4,740</b>
<b>22 Other current liabilities:</b>			
Advance from Customers	2,967	1,903	3,672
Duties & taxes	3,314	2,341	1,830
<b>Total</b>	<b>6,281</b>	<b>4,244</b>	<b>5,502</b>
<b>23 Short-term provisions:</b>			
Provision for Tax/Others	11,662	4,939	3,842
<b>Total</b>	<b>11,662</b>	<b>4,939</b>	<b>3,842</b>



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018****(Rs. In `000s)**

		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>24</b>	<b>Revenue from operations</b>		
	Export sales	677,365	469,400
	Local sales (Including Excise Duty)	94,927	95,465
	Export incentives	21,652	15,508
	Processing Charges	54	1,084
	<b>(Dyestuff , Organic Pigments and Intermediates)</b>		
	<b>Total</b>	<b>793,999</b>	<b>581,457</b>
	In accordance with the requirements of Ind AS, revenue for the year ended 31 <sup>st</sup> March, 2018 is net of Goods & Service Tax (GST). However, revenue for the year ended 31 <sup>st</sup> March, 2017 is inclusive of excise duty. Hence revenue and excise duty on sale of goods for the year ended 31 <sup>st</sup> March, 2018 are not comparable with corresponding figures for the previous year.		
<b>25</b>	<b>Other income:</b>		
	Interest on Deposit with Banks & Others	1,966	1,086
	Interest on Security Deposit-IND AS	2,757	2,498
	Dividend on Investments	91	64
	Exchange Gain/Loss	-	-
	Sundry Balance written back	-	594
	Fair Value Gain on Financial Assets	2,156	1,307
	<b>Total</b>	<b>6,971</b>	<b>5,549</b>
<b>26</b>	<b>a) Cost of materials consumed (Chemicals &amp; Others)</b>		
	Opening Stock	21,597	19,105
	Add: Purchases	198,847	169,647
	Less: Closing Stock	25,559	21,597
	<b>Total</b>	<b>194,885</b>	<b>167,155</b>
	<b>b) Purchases of Stock-in-Trade</b>		
	Dyestuff , Organic Pigments and Intermediates	415,417	264,373
	<b>Total</b>	<b>415,417</b>	<b>264,373</b>
<b>27</b>	<b>Changes in Inventories of Stock-in-Trade</b>		
	Inventories at the end of the year		
	Dyestuff , Organic Pigments and Intermediates	63,989	55,231
	Sub-total (A)	63,989	55,231
	Inventories at the beginning of the year		
	Dyestuff , Organic Pigments and Intermediates	55,231	32,270
	Sub-Total (B)	55,231	32,270
	<b>(A) -(B)</b>	<b>(8,758)</b>	<b>(22,961)</b>
<b>28</b>	<b>Employee benefits expense:</b>		
	Salaries, Wages, Bonus and Gratuity	28,351	23,700
	Employees' Welfare Expenses	670	509
	<b>Total</b>	<b>29,021</b>	<b>24,210</b>
<b>29</b>	<b>Finance costs:</b>		
	Bank Interest	8,574	4,967
	Bank Charges-Processing Fees	293	622
	Other Interest	150	545
	<b>Total</b>	<b>9,017</b>	<b>6,134</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

		<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>30</b>	<b>Depreciation</b>		
	Depreciation Expenses(Refer note 4)	7,035	7,828
	<b>Total</b>	<b>7,035</b>	<b>7,828</b>
<b>31</b>	<b>Other Expenses</b>		
	Power and Fuel	19,315	16,486
	Factory Rent	7,347	7,346
	Factory Expenses	4,710	4,125
	Labour & Transport	19,925	16,079
	Repairs & Maintenance	8,322	6,394
	Packing Material	7,436	7,434
	Export Clearing ,Freight & Forwarding	12,752	8,574
	Professional & Legal Charges((Refer note no 35)	10,356	6,840
	Travelling Expenses	7,236	7,751
	Insurance Charges	3,989	3,055
	Rent ,Rates & Electricity	3,211	2,873
	Donation	423	562
	Exchange Gain /Loss	(6,514)	(50)
	Commission	4,468	3,984
	Loss on sales of assets	15	-
	Miscellaneous/ Office Expenses	15,369	14,015
	Bad Debts	92	310
	Compensation to Customer (Refer Note no 44)	-	672
	<b>Total</b>	<b>118,452</b>	<b>106,449</b>
<b>32</b>	<b>Reconciliation of effective tax rate</b>		
	A reconciliation of income tax expense as included in the statement of profit and loss to the amount computed by applying the weighted average enacted income tax rate to income before income taxes is summarized below:		
	Profit before tax	33,919	23,969
	Weighted average enacted tax rates in India	33.06%	33.06%
	Computed tax expense	11,214	7,924
	<b><u>Tax effect of:</u></b>		
	Deduction under Chapter VI A	(70)	(109)
	Exemption of profit link incentives	(613)	(281)
	Other exempt income	(30)	(21)
	Others-Interest	1,001	258
	<b>Actual Tax Expense</b>	<b>11,501</b>	<b>7,771</b>
	<b>Current Tax</b>	<b>11,830</b>	<b>8,300</b>
	<b>Deferred tax</b>	<b>(329)</b>	<b>(529)</b>
	<b>Tax expense reported in the statement of profit and loss</b>	<b>11,501</b>	<b>7,771</b>
		0.00	(0.00)
<b>33</b>	<b>Earnings per share:</b>		
	The Numerators and denominators used to calculate Earnings per Share:		
	Nominal Value of Equity Share (Rs.)	Rs. 10/-	10/-
	Net Profit available for equity shareholders (Rs.In lacs) = (A)	Rs. 22,522	16,220
	Weighted Average number of shares outstanding during the year - (B)	Nos. 6,699,240	5,474,500
	<b>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</b>	<b>Rs. 3.36</b>	<b>2.96</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>34 Contingent liabilities and Commitments:</b>		
<b>(i) Contingent Liabilities</b>		
(a) Income tax matters not acknowledged as debt	371	371
(b) Dues Raised by M.S.E.B which is protested by Group.	250	250
(c) Sales Tax demands disputed by the Group relating to forms etc.	105	105
(Future Cashflows in respect of above are determinable only on receipt of Judgements/decision pending with various forums / authorities. The Group is hopeful of succeeding & as such does not expect any significant liability to crystalize.)		
<b>Total</b>	<b>726</b>	<b>726</b>
<b>(ii) Commitment</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	2000	500
	<b>2000</b>	<b>500</b>
<b>35 Payments to Auditors for the year*</b>		
Auditors' Remuneration & Expenses (including Tax)		
(a) As Auditors	413	472
(b) For Tax Audit	0	213
(c) Certification and Other matters	68	367
(d) Taxation Matters	63	170
* Previous year's payments represents those in respect of the erstwhile statutory auditors.		
<b>Total</b>	<b>543</b>	<b>1221</b>
<b>36</b> Based on the guiding principles given in Ind AS 108 - "Operating segments", the Group is primarily engaged in the business of Dyesstuff, Organic Pigments & Organic Intermediates. As the Group's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.		

**37 Derivative Instruments and Unhedge Foreign Currency exposure**

Derivative Outstanding as at the Reporting date

(Rs. In `000s)

	As on March 31, 2018		As on March 31, 2017	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	1,803	117,115	-	-

Above derivative instrument have been acquired for hedging purpose

Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

	As on March 31, 2018		As on March 31, 2017	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Trade receivable	2,086	135,504	1981	128,448
Trade payables & borrowings	408.471	26,538	689	44,690

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

**38 Related Party Disclosures**

Related parties with whom transactions have taken place during the year:

**I List of Related Parties**

**a) Key Management Personal (KMP)**

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

**b) Relatives of KMP**

Ms. Jaya P. Shah  
V. P. Shah HUF  
Ms 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  
Efferchem Pvt Ltd  
Zeon Chemical industries LLP  
Ganesh Tiles & Marble Industries  
Amar Trading Corporation  
Vip Chem LLP  
Standardcon Pvt.Ltd.

**II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2018**

**(Rs. In `000s)**

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	<b>2017-2018</b>	-	<b>300</b>	<b>45,159</b>
	2016-2017	-	2,009	25,651
Sale/Services/Interest	<b>2017-2018</b>	-	-	<b>13,438</b>
	2016-2017	-	-	9,823
Share/Warrant Subscription received	<b>2017-2018</b>	<b>3,000</b>	<b>12,000</b>	-
	2016-2017	5,000	27,000	-
Mangerial Remuneration /Salary/Sitting Fees	<b>2017-2018</b>	<b>6,272</b>	<b>2,180</b>	-
	2016-2017	5,614	1,810	-
Balance Receivable/(Payable)	<b>31-03-2018</b>	<b>(38)</b>	<b>20,401</b>	<b>43,301</b>
	31-03-2017	(142)	20,465	36,681
	31-03-2016	(120)	20,420	34,367

**39 Financial Instruments - Accounting Classifications and Fair Value Measurements**

**(Rs. In `000s)**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

A		Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss			
	As at April 01, 2016			Level 1	Level 2	Level 3	
	Financial assets						
	Non-current Investments	5,341	42	5,299	-	-	
	Trade Receivables	103,918	103,918	-	-	-	
	Cash and cash equivalents	8,324	8,324	-	-	-	
	Other bank balances	13,793	13,793	-	-	-	
	Total	131,376	126,077	5,299	-	-	
	Financial liabilities						
	Other non-current financial liability	1,982	1,982	-	-	-	
	Trade and other payables	113,999	113,999	-	-	-	
	Other current financial liabilities	66,933	66,933	-	-	-	
	Total	182,914	182,914	-	-	-	
	B		Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
		As at March 31, 2017			Level 1	Level 2	Level 3
		Financial assets					
Non-current Investments		6,648	42	6,606	-	-	
Trade Receivables		148,022	148,022	-	-	-	
Cash and cash equivalents		19,247	19,247	-	-	-	
Other bank balances		27,751	27,751	-	-	-	
Other Financial Assets		38	38	-	-	-	
Total		201,706	195,099	6,606	-	-	
Financial liabilities							
Other non-current financial liability		3,967	3,967	-	-	-	
Trade and other payables		151,523	151,523	-	-	-	
Other current financial liabilities		102,393	102,393	-	-	-	
Total		257,882	257,882	-	-	-	
C						(Rs. In `000s)	
			Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
	As at March 31, 2018			Level 1	Level 2	Level 3	
	Financial assets						
	Non-current Investments	8,804	42	8,763	-	-	
	Trade Receivables	286,292	286,292	-	-	-	
	Cash and cash equivalents	1,550	1,550	-	-	-	
	Other bank balances	31,857	31,857	-	-	-	
	Other Financial Assets	912	912	-	-	-	
	Total	329,415	320,652	8,763	-	-	
	Financial liabilities						
	Other non-current financial liability	17,234	17,234	-	-	-	
	Trade and other payables	235,279	235,279	-	-	-	
	Other current financial liabilities	181,780	181,326	-	453	-	
	Total	434,293	433,839	-	453	-	

During the reporting period ending 31 March 2018 and 31 March 2017, there was no transfer between level 2 and level 3 fair value measurements.

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018

### Valuation techniques used to determine fair value

Type	Specific valuation techniques
Non-current investments - others	The use of quoted market prices available.
Financial liabilities on account of derivatives	Fair value is determined using the quotes obtained from the banks.

### 40 Financial risk management objectives and policies

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The respective Company's Board of directors has overall responsibility for the establishment and oversight of the respective risk management framework. The board of directors of Holding Company has established Audit Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and activities. The Group, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of following financial assets represents the maximum credit exposure.

#### Trade & Other receivable

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, including the default risk of the industry and country in which customers operate and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Credit risk on its receivables is recognised on the statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances are monitored on a monthly basis with the result that the Group's exposure to bad debts is not considered to be material. The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

#### Impairment

Ageing of trade and other receivables that were not impaired was as follows:

(Rs. In `000s)

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1st April, 2016
<b>Considered Good</b>			
<b>0-12 Months</b>	279,834	146,331	103,185
<b>More Than 1 year</b>	<b>6,458</b>	<b>1,691</b>	<b>733</b>
<b>Carrying Amount of receivable</b>	<b>286,292</b>	<b>148,022</b>	<b>103,918</b>

Group believes that the unimpaired amounts that are past due by more than 1 year are collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings wherever available.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**
**Cash & Cash Equivalents**

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Group generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Group considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

**ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Group's short term, medium-term and long term funding and liquidity management requirements.. Management monitors the Group's net liquidity position through rolling forecast on the basis of expected cash flows without incurring unacceptable losses or risking damage to the Group's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. In `000s)

As at 1st April, 2016			
Financial Liabilities	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	1,982	1,982
Trade and other payables	113,999	-	113,999
Other current financial liabilities	66,933	-	66,933
<b>Total Financial Liabilities</b>	<b>180,932</b>	<b>1,982</b>	<b>182,914</b>

As at 31 <sup>st</sup> March, 2017			
Financial Liabilities	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	3,967	3,967
Trade and other payables	151,523	-	151,523
Other current financial liabilities	102,393	-	102,393
<b>Total Financial Liabilities</b>	<b>253,915</b>	<b>3,967</b>	<b>257,882</b>

As at 31 <sup>st</sup> March, 2018			
Financial Liabilities	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	17,234	17,234
Trade and other payables	235,279	-	235,279
Other current financial liabilities	181,780	-	181,780
<b>Total Financial Liabilities</b>	<b>417,058</b>	<b>17,234</b>	<b>434,293</b>

**iii) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

**a) Foreign currency risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Group is exposed to currency risk significantly on account of its trade payables, borrowings and other payables denominated in foreign currency. The functional currency of the Group is Indian Rupee. The Group currently hedge its foreign currency risk by taking foreign exchange forward contracts.

(Rs. In `000s)

Foreign currency exposure	Currency	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1st April, 2016
Trade receivables & Advance	USD in '000	3,904	2,021	1,337
<b>Net exposure to foreign currency risk (assets)</b>		<b>3,904</b>	<b>2,021</b>	<b>1,337</b>
Trade payables	USD in '000	234	338	305
Current Borrowings	USD in '000	175	351	519
Other financial liabilities	USD in '000	44	30	55
<b>Net exposure to foreign currency risk (liabilities)</b>	USD in '000	<b>453</b>	<b>719</b>	<b>880</b>
<b>Rupee Conversion Rate</b>		64.97	64.85	66.63

**Foreign currency sensitivity**

The Group is exposed to the currencies as mentioned above. The following table details the Group sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A reasonably possible strengthening (weakening) of the Indian Rupee against other currencies at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Foreign currency	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	11,211	(11,211)	4,224	(4,224)
<b>Increase / (decrease) in profit and loss</b>	<b>11,211</b>	<b>(11,211)</b>	<b>4,224</b>	<b>(4,224)</b>

**b) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The Group interest rate risk arises from borrowings. The interest rate profile of the Group interest-bearing borrowings is as follows:

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1st April, 2016
Current Borrowings			
Variable rate borrowings	170,929	100,569	65,421
	<b>170,929</b>	<b>100,569</b>	<b>65,421</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**
**Interest rate risk sensitivity**

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

	31 <sup>st</sup> March, 2018		31 <sup>st</sup> March, 2017	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(855)	855	(503)	503
<b>Increase / (decrease) in profit and loss</b>	<b>(855)</b>	<b>855</b>	<b>(503)</b>	<b>503</b>

**41 Capital management**

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. For the purpose of the Group capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company and borrowings.

The Group manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Borrowings (long-term and short-term borrowings including current maturities)	170,929	100,569	65,421
Cash & Cash Equivalent including Other current financial asset	34,319	47,036	22,117
<b>Adjusted net debt</b>	<b>136,610</b>	<b>53,533</b>	<b>43,304</b>
<b>Total Equity</b>	<b>253,497</b>	<b>193,302</b>	<b>137,819</b>
Adjusted net debt to equity ratio	0.54	0.28	0.31

**42 Business Combinations**
**i) Subsidiaries**

The Group's subsidiaries as at March 31, 2018, March 31, 2017 and April 01, 2016 are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Indian Subsidiary-Shri Ambika Naturals Private Ltd	Principal activities	% of ownership Interest as on		
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April,2016
	Manufacturing of Dyes stuff & Organic Intermediates.			
Ownership interest held by the group		56.04	56.04	56.04
Proportion of ownership of Interest by non-controlling interests		43.96	43.96	43.96

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2018**

**ii) Non-controlling interests (NCI)**

Set out below is summarised financial information subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for subsidiary are before inter-company eliminations.

<b>Summarised Balance sheet</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>Shri Ambika Naturals Private Ltd</b>		
Current assets	6,849	4,632
Current liabilities	2,389	416
<b>Net current assets</b>	<b>4,460</b>	<b>4,215</b>
Non Current assets	2,107	2,370
Non Current liabilities	(1,055)	(1,274)
<b>Net non-current assets</b>	<b>3,162</b>	<b>3,644</b>
<b>Net assets</b>	<b>1,298</b>	<b>571</b>
<b>Accumulated NCI</b>	<b>(1,458)</b>	<b>(1,353)</b>
<b>Summarised Statement of Profit &amp; Loss</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>Shri Ambika Naturals Private Ltd</b>		
Revenue	8,163	1,940
Profit for the year	(237)	(50)
Other comprehensive income	-	-
<b>Total Comprehensive income</b>	<b>(237)</b>	<b>(50)</b>
<b>Profit allocated to NCI</b>	<b>(104)</b>	<b>(22)</b>
<b>Summarised cash flows</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>Shri Ambika Naturals Private Ltd</b>		
Cash flows from operating activities	13	99
Cash flows from investing activities	-	-
Cash flows from financing activities	-	(14)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13</b>	<b>85</b>

**iii) Transactions with non- controlling interests**

There are no transaction with non controlling interest in FY 2017-18 and FY 2016-17

**43 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.**

**(Rs. in '000)**

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share of Total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Parent : Vipul Organics Limited	96.26%	242,626	101.06%	22,655
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	3.74%	9,414	-1.06%	(237)
Total	100.00%	252,039	100.00%	22,418

**44** During the previous year ,Export Customer of Holding Company was allowed compensation/discount of Rs. 672 ('000) to compensate against loss incurred at the time of remittance against our Export receivables.

**45** The Holding 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 Holding Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.

- 46** In the opinion of the Holding Company's 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 which are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 47** Previous year figures are regrouped / re classified wherever necessary to correspond with current year classification / disclosure.
- 48** The previous years Financial Statements were audited by a firm other than R. A. Kuvadia & Co.

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**In terms of our report attached.**

**For R. A. Kuvadia & Co.**

**Chartered Accountants**

**Firm Registration No. 105487W**

**R. A. Kuvadia**

**Proprietor**

**Membership No. 040087**

**Mumbai**

**Dated : 30<sup>th</sup> May, 2018**

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

**Vipul Organics Limited**

**Vipul P. Shah**  
**Managing Director**  
**DIN: 00181636**

**Dr. Shiv Nath Sahai**  
**Whole-Time Director**  
**DIN: 00332652**

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



## VIPUL ORGANICS LIMITED

CIN: L24110MH1972PLC015857

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

**Email Id:** [info@vipulorganics.com](mailto:info@vipulorganics.com); **Telephone no.:** 022-66139999; **Fax no.:** 022-66139977/75

### ATTENDANCE SLIP

#### 46<sup>TH</sup> ANNUAL GENERAL MEETING ON THURSDAY, 27<sup>TH</sup> SEPTEMBER, 2018

(To be completed and presented at the Entrance of the Meeting Hall)

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 46<sup>th</sup> Annual General Meeting of the Company at Svenska Design Hotel, Off Link Road, Next to Laxmi Industrial Estate, Sab TV Road, Andheri (West), Mumbai - 400053, Sab TV Road on Thursday, 27<sup>th</sup> September, 2018 at 4.00 P.M.

\_\_\_\_\_  
Signature of Shareholder/Proxy/Authorised Representative's

#### 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. Interested Joint Members may obtain attendance slips from the Registered Office of the Company.

### ELECTRONIC VOTING PARTICULARS

EVEN (Remote Electronic Voting Event Number)	USER ID	PASSWORD

Note: Please read the instructions for remote e-voting given along with the Annual Report. The voting period begins on Monday, 24<sup>th</sup> September, 2018 at 09.00 a.m. and ends on Wednesday, 26<sup>th</sup> September, 2018 at 05.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.







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### 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
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:

- Name .....

Address: .....

Email Id.: .....

Signature: .....or failing him/her
- Name .....

Address: .....

Email Id.: .....

Signature: .....or failing him/her
- 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 46<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 27<sup>th</sup> September, 2018 at 4.00 P.M. Svenska Design Hotel, Off Link Road, Next to Laxmi Industrial Estate, Sab TV Road, Andheri (West), Mumbai - 400053 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
	<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018 together with Reports of the Board of Directors and of the Auditors' thereon.			
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2018.			
3	Ordinary Resolution for appointment of Director in place of Mr. Vipul P. Shah, Director (DIN: 00181636), who retires by rotation and being eligible, offers himself for re-appointment.			

	<b>Special Business:</b>			
4	Special Resolution for revision in remuneration of Mr. Vipul P. Shah, Managing Director (DIN: 00181636) of the Company w.e.f. 1 <sup>st</sup> July, 2018.			
5	Special Resolution under section 188(1) to approve proposal to take office premises on lease from Mr. Vipul P. Shah, Managing Director of the Company.			
6	Special Resolution under section 188(1) of the Companies Act, 2013 for approving Related Party Transactions.			
7	Special Resolution for re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director (DIN: 00332652) of the Company w.e.f. 1 <sup>st</sup> October, 2018 to 30 <sup>th</sup> September, 2019.			
8	Special Resolution for re-appointment of Mr. Prasannakumar B. Gawde (DIN: 01456510) as Independent Director of the Company for another term of five consecutive years from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024.			
9	Special Resolution for re-appointment of Mr. Jagdeep Y. Mehta (DIN: 00332523) as Independent Director of the Company for another term of five consecutive years from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024.			
10	Special Resolution for re-appointment of Mrs. Trupti H. Shah (DIN: 06884295) as Independent Director of the Company for another term of five consecutive years from 1 <sup>st</sup> June, 2019 to 31 <sup>st</sup> May, 2024.			
11	Special Resolution under section 180(1)(c) for increasing the borrowing powers of the Company.			
12	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.....2018

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 & 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

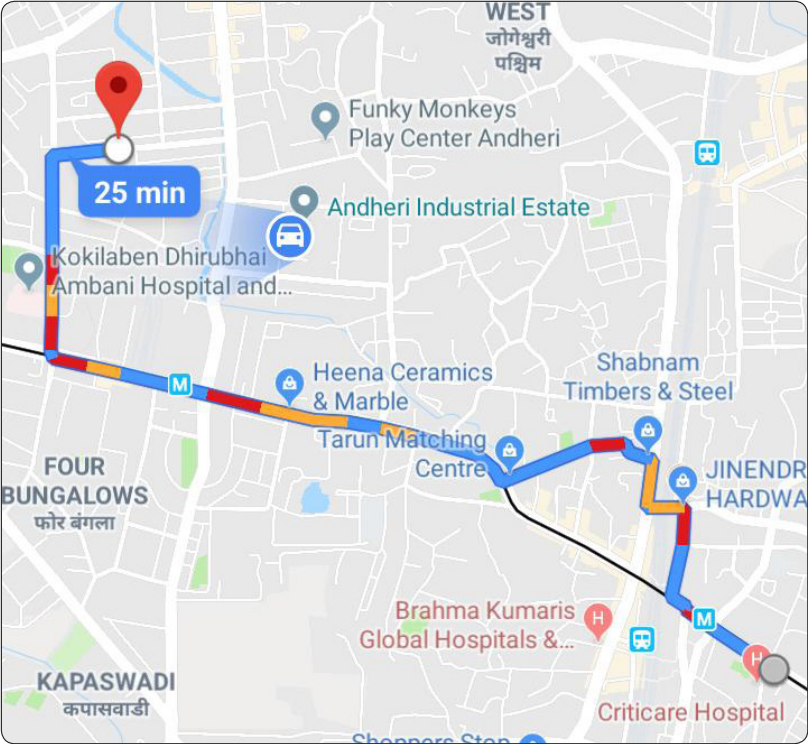
Kindly submit the above details duly filled in and signed at the appropriate place to the Register & Share Transfer Agents of the Company viz. **BIGSHARE SERVICES PVT. LTD. 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059.**

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**  
**Rishika Puri**  
Company Secretary & Compliance Officer

AGM VENUE ROUTE MAP









**Vipul Organics Ltd.**

102, Andheri Industrial Estate,  
Off Veera Desai Road,  
Andheri (West), Mumbai – 400053,  
Maharashtra, India.

+91 22 661 9999  
+91 22 6613 9977 / 75  
info@vipulorganics.com  
www.vipulorganics.com