

7<sup>th</sup> September, 2019

To,  
The Manager - DCS  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Scrip Code - 530627

Dear Sir,

**Sub: Submission of copy of the Annual Report 2018-19 along with the Notice of 47<sup>th</sup> Annual General Meeting of Vipul Organics Limited, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the notice of 47<sup>th</sup> Annual General Meeting along with the copy of Annual Report for the financial year 2018-19.

The 47<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 30<sup>th</sup> September, 2019 at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400 058 at 3:15 p.m.

The same is being dispatched to the shareholders of the Company by the permitted mode(s).

The same is also available on the website of the Company i.e. at [www.vipulorganics.com](http://www.vipulorganics.com) and on the website of CDSL i.e. at [www.evotingindia.com](http://www.evotingindia.com).

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Vipul Organics Limited



Yogita Mundhra  
Company Secretary & Compliance Officer



Encl.: As above



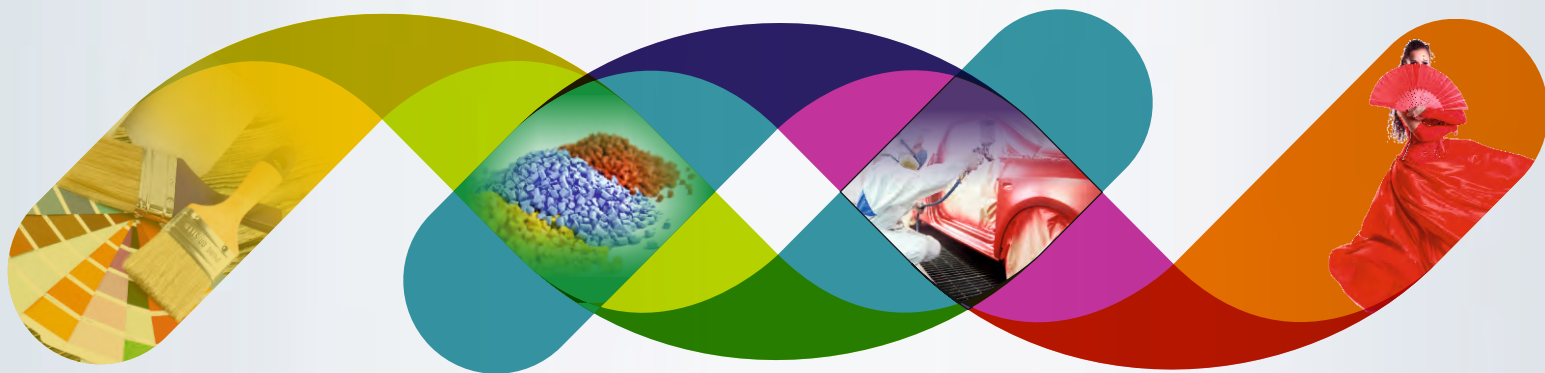
# VIPUL ORGANICS

Interconnected Chemistry



## Leap to Lead

ANNUAL REPORT 2018-19





### BOARD OF DIRECTORS

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)
	(Upto 14.11.2018)
Mrs. Megha S.Bhati	(Independent Director)
	(w.e.f. 14.11.2018)

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Rishika Puri (Upto 10.02.2019)  
Ms. Yogita Mundhra (w.e.f 11.02.2019)

### AUDITORS

M/s. R. A. Kuvadia & Co.  
Chartered Accountants  
Mumbai

### BANKERS

Vijaya Bank,  
Mandvi Branch, Mumbai  
Axis Bank  
Vile Parle West Branch, Mumbai

### 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: companysecretary@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, Maharashtra

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

### REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai 400059, Maharashtra  
Tel. No.: 022-62638200; Fax No.: 022-62638299  
Email ID: investor@bigshareonline.com; info@bigshareonline.com  
Website: www.bigshareonline.com

Plot No. T-115, MIDC  
Industrial Area, Tarapur, Village Pam,  
Boiser (West), Dist. Palghar-401506, Maharashtra

### CONTENTS

Notice.....	1-17
Board of Directors' Report.....	18-43
Management Discussion and Analysis Report.....	44-47
Report on Corporate Governance.....	48-64
Auditors' Certificate on Corporate Governance.....	65-66
Independent Auditors' Report on Standalone Financial Statements.....	68-74
Standalone Balance Sheet.....	75
Standalone Statement of Profit & Loss.....	76
Standalone Cash Flow Statement.....	77-78
Notes to Standalone Financial Statements.....	80-109
Independent Auditors' Report on Consolidated Financial Statements.....	110-114
Consolidated Balance Sheet.....	115
Consolidated Statement of Profit and Loss.....	116
Consolidated Cash Flow Statement.....	117-118
Notes on Consolidated Financial Statements.....	120-152
Attendance Slip/Proxy Form	
Route Map	

## NOTICE

Notice is hereby given that the 47<sup>th</sup> Annual General Meeting of the members of **VIPUL ORGANICS LIMITED** will be held on Monday, 30<sup>th</sup> September, 2019 at 3.15 p.m. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai – 400 058 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, 2019 together with the reports of the Board of Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the reports 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, 2019 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, 2019 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, 2019 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, 2019, be and is hereby declared out of the current profits of the Company and that the same be paid to those shareholders whose names appear on the Company's Register of Members as on Monday, 23<sup>rd</sup> September, 2019 and that the dividend warrants be posted or direct through NECS be given within 30 days hereof only to those shareholders who are entitled to receive the payment of dividend."

3. To appoint a director in place of Dr. Shiv Nath Sahai (DIN: 00332652), who retires by rotation and being eligible, offers himself for re-appointment as director and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Dr. Shiv Nath Sahai (DIN: 00332652), director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a director of the Company, who shall be liable to retire by rotation."

### SPECIAL BUSINESS:

4. To appoint Mrs. Megha S. Bhati (DIN: 08278063) as an Independent Director of the Company and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Mrs. Megha S. Bhati (DIN: 08278063), who was appointed as an Additional Independent Director of the Company for a period of five years with effect from 14<sup>th</sup> November, 2018, pursuant to the provisions of Section 149 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of the Articles of Association of the Company, who holds office as such upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing as required under Section 160 of the Companies Act, 2013 proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office as such upto 13<sup>th</sup> November, 2023, 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.”

5. To reappoint Mr. Vipul P. Shah (DIN: 00181636) as Managing Director 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 Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the re-appointment of Mr. Vipul P. Shah, (DIN: 00181636) as Managing Director of the Company for a period of three years w.e.f. 15<sup>th</sup> June, 2019 to 14<sup>th</sup> June, 2022 be and is hereby approved on the following terms and conditions 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. 5,90,000/- (Rupees Five Lakh Ninety 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.”

6. To reappoint Dr. Shiv Nath Sahai (DIN: 00332652) as 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 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 six months w.e.f. 1<sup>st</sup> October, 2019 to 31<sup>st</sup> March, 2020 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."

7. To authorize the Board of Directors of the Company to contribute or donate funds and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to contribute, donate, subscribe or otherwise provide assistance from time to time to anybody, institution, society, person, trust or fund for any charitable or other purpose upto a total amount of Rs. 25 Lakhs (Rupees Twenty Five Lakhs Only) during any financial year or 5% of the Company's average net profits for the three immediately preceding financial years, whichever is higher.

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

8. To consider and approve VOL Employee Stock Option Scheme 2019 of the Company and in this regard, if thought fit, pass the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** in accordance with the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to such approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as 'Compensation Committee' under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to the Board to grant, vest and allot, from time to time and in one or more tranches, Options under the 'VOL Employee Stock Option Scheme 2019' ("VOL ESOS 2019"), the salient features of which are set out in the explanatory Statement annexed to the Notice of Annual General Meeting, to or for the benefit of such person(s) who are permanent employees of the Company, whether working in India or outside India, and / or to the directors of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the Board and / or permitted under SBEB Regulations (hereinafter referred to as "Eligible Employees") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares and / or equity linked instruments which would give

rise to issue of equity shares (hereinafter collectively referred to as "Securities") of the Company but not exceeding 1,00,000 Equity Shares of face value of Rs.10/- (Rupees Ten only) each at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the VOL ESOS 2019 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** outstanding Options granted under the ESOS 2019 before any issue of bonus shares or stock splits or consolidation of shares shall be suitably adjusted for the number as well as the exercise price as applicable and such outstanding Options may be further adjusted at the discretion of the Board for any corporate action(s).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect the VOL ESOS 2019 as per the terms approved in this resolution read with the Statement annexed to the Notice and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate the VOL ESOS 2019, subject to compliance with the SBEB Regulations and other applicable laws, rules and regulations, as may be prevailing at that time;

**RESOLVED FURTHER THAT** the equity shares may be allotted in accordance with the VOL ESOS 2019 directly to the employees in a manner permissible under the SBEB Regulations.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted under the VOL ESOS 2019 shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under the VOL ESOS 2019 on the stock exchange where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the VOL ESOS 2019.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of the VOL ESOS 2019 and to take all such steps and do all acts as may be incidental or ancillary thereto."

**By Order of the Board of Directors  
of Vipul Organics Limited**

**Place : Mumbai**

**Date : 14<sup>th</sup> August, 2019**

**Registered Office:**

**102, Andheri Industrial Estate,**

**Off. Veera Desai Road,**

**Andheri (West), Mumbai – 400 053**

**Yogita Mundhra  
Company Secretary and  
Compliance Officer  
(Membership No.: ACS 57436)**



**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT 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.

2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to special business to be transacted at the meeting is annexed hereto and forms part of this notice.
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 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. Route – map of the venue of the 47<sup>th</sup> Annual General Meeting of the Company is provided in the Annual Report for the convenience of the members.
8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. 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.
9. 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 Disclosures Requirements) Regulations, 2015 and Secretarial Standard – 2 on "General Meetings" is annexed to the Notice.
10. The Register of Directors' and Key Managerial Personnel's 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 47<sup>th</sup> Annual General Meeting and will be open for inspection during the Annual General Meeting also.
11. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of Members and Share Transfer Books will remain closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).
12. The dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2019, if approved by the members at the ensuing Annual General Meeting, will be paid/dispatched between 8<sup>th</sup> October, 2019 and 14<sup>th</sup> October, 2019 to those members whose names appear in the Register of Members as on Monday, 23<sup>rd</sup> September, 2019; and in respect of shares held by them in dematerialized form, the dividend will be paid to members whose names are furnished by the Depositories as beneficial owners as on that date.

13. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company proposes to avail NECS facility. The members who have not updated their bank account details and wish to avail such facility in future are requested to update their bank account details by submitting the NECS mandate form, available on Company's website viz. <http://vipulorganics.com>.
14. 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.
15. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
16. 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.
17. 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.
18. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 read with SEBI press release PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018, effective from 1<sup>st</sup> April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However members can continue to hold shares in physical form.
19. Members holding shares in identical order of names in more than one folio are requested to send the share certificates to the Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd. for consolidation of all such shareholdings into one folio to facilitate better services.
20. 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.
21. The Annual Report for the financial year 2018-19, the Notice for the 47<sup>th</sup> Annual General Meeting and instructions for e-voting, along with attendance slip and proxy form are being sent by electronic mode to those members whose e-mail addresses are registered with the Company/DP, unless any member has requested for a physical copy. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
22. To support the 'Green Initiative', members who have not registered their e-mail address so far are requested to register the same for receiving all communication including Annual Report, Circulars etc. from the Company electronically.
23. Members may also note that the Notice for the 47<sup>th</sup> AGM and the Annual Report for the financial year 2018-19 is also available on the Company's website viz. <http://vipulorganics.com>.
24. The Company has transferred the unpaid or unclaimed dividend declared upto the financial year 2010-2011 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, 2012 is due for transfer to the IEPF in month of November, 2019. The shareholders whose dividend remained unclaimed for the financial year 2011-12 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 27<sup>th</sup> September, 2018 (date of the previous Annual General Meeting) under "Investor Relations" section on the website of the Company.

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.

In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all the shares in respect of which dividend declared for the financial year 2010-11 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the Investor Education and Protection fund.

A member desirous to claim back his shares from IEPF Authority can do so by following prescribed procedure under the said rules. The said details are available on the website of the company <http://vipulorganics.com> and 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).

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2011-12 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

25. Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
26. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members. Members are requested to submit their e-mail ID and other details vide the e-mail updation form available on Company's website viz. <http://vipulorganics.com>. The same could be done by filling up and signing at the appropriate place in the said form and by sending the same to the RTA. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.
27. **Information and other instructions relating to the e-voting:**
  - a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be passed at the 47<sup>th</sup> Annual General Meeting through the electronic voting (remote e-voting).
  - b. The Company has engaged the service of Central Depository Services (India) Limited (CDSL) for e-voting.
  - c. The facility for voting through polling 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 polling 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 shall begin on Friday, 27<sup>th</sup> September, 2019 at 09.00 a.m. and end on Sunday, 29<sup>th</sup> September, 2019 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. Monday 23<sup>rd</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by the 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. Monday 23<sup>rd</sup> September, 2019.
  - g. A person, whose name is recorded in the Register of Members maintained by the RTA or in the list Beneficial Owners maintained by the depositories as on the cut-off date i.e. Monday 23<sup>rd</sup> September, 2019 only shall be entitled to avail the facility of remote e-voting and voting at meeting through polling papers.

- h. The Board has appointed CS Manish Baldeva (FCS 6180), Proprietor, M/s. M Baldeva Associates, Company Secretaries, Thane, as Scrutinizer to conduct the voting through e-voting and polling in a fair and transparent manner.
- i. Any person who acquires share(s) and becomes member of the Company after dispatch of the Notice of the Meeting and holding shares as on cut-off date i.e. Monday 23<sup>rd</sup> September, 2019 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 exiting 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 polling 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 of the meeting. 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 BES Ltd., where shares of the Company are listed.
- 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. Monday, 30<sup>th</sup> September, 2019.

The instructions for e-voting are as under:

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

	<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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for Vipul Organics Limited on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

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



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

Mrs. Megha S. Bhati was appointed as an Independent Director of the Company for a period of 5 consecutive years w.e.f. 14th November, 2018, subject to approval of the members at ensuing Annual General Meeting. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Megha S. Bhati holds office as such up to the date of this AGM.

Mrs. Megha S. Bhati, aged 53 years, is a post graduate Diploma holding in Business Administration, Management, Marketing from K. C. College, Mumbai. She has also completed S. P. Jain School of Global Management, has 8 years of rich experience as a Strategy Planner and Digital Marketer in Marketing Operations, Business Development, Administration, Channel, Brand, Event Management. Considering her qualification and experience, the Board considered it appropriate to appoint Mrs. Megha S. Bhati as an Independent Director of the Company.

In terms of the provisions of Sections 149 and 152 of the Companies Act, 2013, an Independent Director of company can be appointed for a term of 5 (five) consecutive years and shall not be liable to retire by rotation. Mrs. Megha S. Bhati has given the requisite declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as Independent Non-Executive Director of the Company and is independent of the management. Further she has not been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as specified under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, she has declared that she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as a director of the Company. The Nomination and Remuneration Committee has recommended her appointment as Independent Director for a term of five consecutive years. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director.

In the opinion of the Board, Mrs. Megha S. Bhati 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. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Megha S. Bhati as an independent Director.

Copy of the draft letter for appointment of Mrs. Megha S. Bhati 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, except Saturday.

Brief resume of Mrs. Megha S. Bhati, proposed to be appointed as stipulated under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by Institute of Company Secretaries of India (ICSI) is forming part of the Notice of 47<sup>th</sup> Annual General Meeting.

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

Except Mrs. Megha S. Bhati, being appointee, none of the Directors, Key Managerial Personnel of your Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 5**

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 and is one of the promoter of the Company. The tenure of Mr. Vipul P. Shah as Managing Director of the Company expired on 14<sup>th</sup> June, 2019.

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 in

their meeting held on 30<sup>th</sup> May, 2019, reappointed him as Managing Director of the Company for a further period of 3 years w.e.f. 15<sup>th</sup> June, 2019 to 14<sup>th</sup> June, 2022, on the terms and conditions as explained in resolution as set out in item no. 5 of this notice, subject to the approval of the Members of the Company

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 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. 6**

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

The current tenure of Dr. Shiv Nath Sahai as Whole-Time Director of the Company expires on 30<sup>th</sup> September, 2019. 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 at its meeting held on 14<sup>th</sup> August, 2019, re-appointed him as Whole-Time Director (designated as Whole-time Director and CFO) of the Company for a further period of 6 months w.e.f. 1<sup>st</sup> October, 2019 to 31<sup>st</sup> March, 2020 on the terms and conditions as explained in resolution as set out in item no. 6 of this notice, subject to the approval of the Members of the Company.

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

Accordingly, the Board of Directors recommends the Special Resolution set out at item no. 6 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. 7:**

Your Company, in view of its obligation to the society at large, feels that it should contribute and / or subscribe from time to time for charitable or other purposes. In terms of the provisions of Section 181 of the Companies Act, 2013, any amount contributed to any Charitable or other funds in excess of 5%, in any financial year, of the Company's average net profits of the three immediately preceding financial years needs prior approval of the members of the Company. It is therefore necessary to obtain approval of the members of the Company for contribution to be made by the Company in excess of the limits prescribed under said section.

Approval of the members is sought for making such contributions from time to time as may be decided by the Board. The Board recommends the Ordinary Resolution as set out at item no. 7 of the Notice for approval of members.

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**

With a view to encourage value creation and value sharing with the employees, the Board of Directors of the Company has proposed to introduce 'VOL Employee Stock Option Scheme 2019' ("VOL ESOS 2019"). The employee stock option schemes are considered to be an effective tool to attract and retain the best talent and also serve to attract, incentivize and motivate professionals and reward exceptional performance. The number of equity shares to be issued and allotted under the ESOS 2019 shall be not exceeding of 1,00,000 Equity Shares face value of Rs. 10/- each.

The disclosures / salient features of VOL ESOS 2019 as required under SEBI (Share Based Employee Benefits) Regulations, 2014 ('Regulations') read with Circular No. CIR/CFD/Policy Cell/ 2/2015 dated 16<sup>th</sup> June 2015 issued by the Securities and Exchange Board of India are set out here-in-below:

**a. Brief description of the scheme – VOL ESOS 2019**

The VOL ESOS 2019 is intended to reward the Eligible Employees (as described under clause (c) here-in-below), for their performance and to motivate them to contribute to the growth and profitability of the Company. The VOL ESOS 2019 will help the Company to retain talent in the organization as the Company views stock options as an instrument that would enable the Eligible Employees to share the value they create for the Company and align individual objectives with the objectives of the Company in the years to come.

**b. Total number of Options to be granted**

Under the VOL ESOS 2019, upto 1,00,000 options convertible into 1,00,000 Equity Shares of Rs. 10/- each would be granted. This ceiling can be adjusted for any future bonus issue of shares or stock splits or consolidation of shares and may further be adjusted for any other corporate action(s). The Options which do not vest, would be available for being re-granted at a future date. The Board / Committee can re-grant such Options as per the provisions of the VOL ESOS 2019, within the overall limit as stated above, subject to the Regulations.

**c. Identification of class of employees entitled to participate in VOL ESOS 2019**

The class of Employees eligible for participating in the VOL ESOS 2019 shall be determined on the basis of grade of the employee, role/designation of the employee, length of service with the Company, his role in and contribution to overall performance of the Company, merits of the employee, past performance record, future potential of the employee and/ or such other criteria that may be determined by the Board or Committee at its sole discretion from time to time.

For the purpose of VOL ESOS 2019, the Employee means:

- (i) a permanent employees of the Company who has been working in India or outside India; or
- (ii) a directors of the Company, whether a whole-time director or not, but excluding independent director; or
- (iii) an employee as defined in clauses (i) or (ii) above of a subsidiary, in India or outside India but does not include -
  - (a) an employee who is a promoter or a person belonging to the promoter group; or
  - (b) a director who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

**d. Requirements of vesting, period of vesting and maximum period within which the Options shall be vested**

The stock options granted shall vest so long as the Employee continues to be in the employment of the Company. The Board / Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options granted would vest. The options would vest not earlier than one year and up to 10 years from the date of grant of options as may be decided by the Board / Committee at the time of each grant. The exact proportion in which and the exact period over which the options would vest would be determined by the Board / Committee.

**e. Exercise price or pricing formula**

Subject to the provisions of the Regulations, the exercise price shall be fixed by the Board / Committee at its discretion and will be specified in the grant letter but the same shall not be higher than the market price (i.e. latest available closing price on a recognized stock exchange having highest trading volume on which the equity shares of the Company are listed) of the equity shares at the time of grant and not less than the face value of the equity shares of the Company. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the Regulations.

**f. Exercise period and the process of exercise**

The exercise period would commence from the date of vesting and will expire on completion of eight years from the date of vesting of options, or such period as may be decided by the Board / Committee at its sole discretion from time to time. The Board / Committee will decide on the expiry period of options for Employees leaving the Company after grant of options in their favour.

The equity shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.

The options can be exercised by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board / Committee from time to time. The option will lapse if not exercised within the exercise period, if specified. The option may also lapse under certain circumstances as determined by the Board / Committee even before expiry of the specified exercise period.

**g. Appraisal process for determining eligibility under the VOL ESOS 2019**

The appraisal process for determining the eligibility of the Employee will be specified by the Board / Committee and will be based on criteria such as grade of the Employee, role/designation of the Employee, length of service with the Company, his role in and contribution to overall performance of the Company, merits of the Employee, past performance record, future potential of the Employee and/or such other criteria that may be determined by the Board / Committee at its sole discretion from time to time.

**h. Maximum number of Options to be issued per employee and in aggregate under the Scheme**

Under the VOL ESOS 2019, the maximum number of options granted per Employee will not exceed 10,000 options. Total stock options 1,00,000 convertible into 1,00,000 equity shares of the face value of Rs. 10/- each fully paid-up would be available for being granted under the VOL ESOS 2019.

**i. Maximum quantum of benefits to be provided per employee under the VOL ESOS 2019**

The maximum quantum of benefits underlying the Options granted to an Eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the equity shares on the exercise date.

**j. Whether the VOL ESOS 2019 is to be implemented and administered directly by the Company or through a trust**

The VOL ESOS 2019 will be implemented directly by the Company in accordance with the applicable provisions of the Companies Act, 2013 and Regulations.

**k. Whether ESOS 2019 involves new issue of shares by the Company or secondary acquisition by the Company**

Under VOL ESOS 2019, new equity shares will be issued by the Company.

**l. The amount of loan to be provided for implementation of the VOL ESOS 2019 by the Company to the trust, its tenure, utilization, repayment terms, etc.**

The Company will not provide any loan for implementation of VOL ESOS 2019.

**m. Maximum percentage of Secondary Acquisition that can be made by the trust for the purpose of the scheme**

Not applicable, as the Scheme does not provide for secondary acquisition.

**n. Disclosure and accounting policies**

The Company shall comply with the disclosure and accounting policies as prescribed by Regulations and any other authorities concerned, from time to time.

**o. Method of valuation of Options**

The Company shall use the Fair Value Method for valuation of the options granted under the VOL ESOS 2019.

The Regulation 6(1) of the Regulations requires that every employee stock option scheme shall be approved by the members of the Company by passing a special resolution. Further, as the VOL ESOS 2019 will entail a further issue of shares, consent of the members is also required by way of passing a Special Resolution pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013.

Accordingly, the Special Resolution set out at item no. 8 of this Notice is proposed for approval by members. The Options to be granted under the ESOS 2019 shall not be treated as an offer or invitation made to the public for subscription of securities of the Company. The VOL ESOS 2019 conforms to the Regulations.

Except, to the extent options may be granted to the Directors, KMPs and their 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.



**INFORMATION OF DIRECTORS BEING PROPOSED TO BE APPOINTED/ RE-APPOINTED PURSUANT TO REGULATIONS 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDRAED-2 ON "GENERAL MEETINGS" IS GIVEN BELOW:**

<b>Name of the Director</b>	<b>Mr. Vipul P. Shah</b>	<b>Dr. Shiv Nath Sahai</b>	<b>Mrs. Megha S. Bhati</b>
<b>Director Identification Number</b>	00181636	00332652	08278063
<b>Date of Birth</b>	2 <sup>nd</sup> February, 1966	2 <sup>nd</sup> August, 1945	28 <sup>th</sup> September, 1965
<b>Age</b>	53 Years	74 years	54 years
<b>Date of first Appointment on the Board</b>	21 <sup>st</sup> June, 1992	10 <sup>th</sup> December, 1993	14 <sup>th</sup> November, 2018
<b>Brief resume of the director</b>	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.	Mrs. Megha S. Bhati is an Independent Director of the Company.
<b>Nature of his expertise in specific functional areas</b>	Mr. Vipul Shah is a Chemical Engineer, having more than 31 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 38 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 2 decades.	8 years of rich experience as a Strategy Planner and Digital Marketer in Marketing Operations, Business Development, Administration, Channel, Brand, Event Management.
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board</b>	Nil	Nil	Nil
<b>No. of equity shares held in the Company</b>	9,26,100	Nil	Nil
<b>No. of Board Meeting attended during the year</b>	6	6	1
<b>Terms and Conditions of appointment/ reappointment and re-appointment</b>	Liable to retire by rotation	Six months w.e.f. 1 <sup>st</sup> October, 2019, liable to retire by rotation.	14 <sup>th</sup> November, 2018 to 13 <sup>th</sup> November, 2023, not liable to retire by rotation.
<b>Remuneration to be paid (if applicable)</b>	Rs. 5,90,000/- per month and other terms and conditions as set out in the proposed resolution	Rs. 70,000/- per month and other terms and conditions as set out in the proposed resolution	Sitting Fees
<b>Disclosure of relationship between directors inter-se</b>	Not related	Not related	Not related

**ADDITIONAL INFORMATION FOR ITEM NOS. 5 AND 6**

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 of commencement of commercial production	The Company is an existing company and is in operations 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. 4.57 Return on net worth: 12.54%
(5)	Foreign investments or collaborators, if any	Nil
<b>II Information about the appointee</b>		
<b>A. Mr. Vipul P. Shah</b>		
(1)	Background details	Mr. Vipul P. Shah, aged 53 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. 5,15,000/- per month and perquisite
(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. 5,90,000/- per month and perquisites
(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 74 years, is Ph.D. in Technology process and has more than 38 years of experience in marketing and Techno commercial areas.
(2)	Past Remuneration	Rs. 70,000/- 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 sheer competitive 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  
of Vipul Organics Limited**

**Place : Mumbai**  
**Date : 14<sup>th</sup> August, 2019**

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

**Yogita Mundhra**  
**Company Secretary and**  
**Compliance Officer**  
**(Membership No.: ACS 57436)**

## BOARD OF DIRECTORS' REPORT

To the Members,  
**Vipul Organics Limited**

Your Directors are pleased to present herewith the 47<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, 2019.

### 1. FINANCIAL HIGHLIGHTS

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

Particulars	Standalone		Consolidated	
	Current Year ended 31 <sup>st</sup> March, 2019	Previous Year ended 31 <sup>st</sup> March, 2018	Current Year ended 31 <sup>st</sup> March, 2019	Previous Year ended 31 <sup>st</sup> March, 2018
Revenue from Operations	9042.87	7959.08	9001.42	7939.99
Other Income	43.97	48.14	43.97	48.14
Total Revenue	9086.84	8007.22	9045.39	7988.13
Less: Expenditure except Finance Cost & Depreciation & Tax	8414.36	7510.03	8369.86	7488.42
Profit before Finance Cost, Depreciation & Tax	672.48	497.19	675.53	499.71
Less: Finance Cost	108.78	90.17	108.78	90.17
Less: Depreciation and Amortization	61.30	67.66	63.87	70.35
Profit Before Tax	502.40	339.36	502.88	339.19
Less: Provision for Tax	150.17	112.82	149.91	115.01
Profit After Tax	352.23	226.54	352.97	224.18
Other Comprehensive Income/Loss (Net of Tax)	1.10	-	1.10	-
Total Comprehensive income/loss attributable to: Non-Controlling Interest	-	-	(0.33)	(1.04)
Total Comprehensive income/loss attributable to Owners of equity	353.33	226.54	353.74	225.22
Total Comprehensive income/loss (Net of Tax)	353.33	226.54	354.03	224.18

### 2. IND-AS APPLICABILITY

The Company has adopted the Indian Accounting Standard ('Ind AS') w.e.f. 1<sup>st</sup> April, 2017. The financial statements have been prepared in accordance with the applicable Indian Accounting Standards ("Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

### 3. OPERATIONS

The performance of the Company showed a substantial improvement during the year under review. The Company has earned total revenue of Rs. 9086.84 Lakhs (previous year Rs. 8007.22 Lakhs) and Net Profit after Tax of Rs. 352.23 Lakhs (previous year Rs. 226.54 Lakhs).

The Company has earned consolidated revenue of Rs.9045.39 Lakhs (previous year Rs. 7988.13 Lakhs) and consolidated Net Profit After Tax of Rs. 352.97 Lakhs (previous year Rs. 224.18 Lakhs), during the year under review.

The Industrial Land of 10,000 Sq. mts. plot at GIDC, Dahej has been transferred in the name of the Company on 10<sup>th</sup> July, 2019 from earlier name "Vipul Dye Chem Limited" without any transfer fee. Hence, now the company has initiated the procedure for obtaining the environmental clearance from Pollution Board.

There was no change in the nature of business of the Company during the year under review.

#### **4. DIVIDEND AND 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, 2019. This will absorb total cash outflow of Rs. 74,37,613/- (previous year Rs. 74,37,613/-) including Corporate Dividend Distribution Tax of Rs. 12,58,012/- (previous year Rs. 12,58,012/-)

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

#### **5. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:**

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.

#### **6. 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 (Transferee 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 received No-Objection letter bearing no. DSC/AMAL/SD/R37/1330/2018-19 dated 12<sup>th</sup> November, 2018 from the BSE Ltd. The Company has filed necessary application before the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai for its approval, and the same is pending.



**7. SHARE CAPITAL**

During the year under review, there was no change in capital of the Company. As on 31<sup>st</sup> March, 2019, 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/- each.

**8. 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, during the year the Company has transferred 8424 shares to the demat account of the IEPF Authority as required under the IEPF Rules for the dividend remained unclaimed/unpaid upto the financial year 2010-11.

In terms of the provisions of Section 125 of the Act and said Rules, during the year an amount of Rs. 1,97,724/- being unpaid and unclaimed dividend for the Financial Year 2010-11 was transferred to the IEPF.

Further the unpaid and unclaimed dividend amount lying with the Company for Financial Year 2011 - 12 is due to transfer to the IEPF in the month of November, 2019. The details of the same are available on the Company's website viz. [www.vipulorganics.com](http://www.vipulorganics.com).

The Board has appointed Ms. Yogita Mundhra, Company Secretary and Compliance Officer of the Company as the Nodal Officer to ensure compliance with the IEPF Rules.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)****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, Dr. Shiv Nath Sahai (DIN: 00332652), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

**II. Appointment:**

Pursuant to the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company appointed Ms. Yogita Mundhra as a Company Secretary and Compliance Officer of the Company w.e.f. 11<sup>th</sup> February, 2019.

The Members, in its 46<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2018 had approved the re-appointment of Mr. Prasannakumar B. Gawde (DIN.: 01456510) and Mr. Jagdeep Y. Mehta (DIN: 00332523) as Independent Directors of the Company for another five consecutive years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 and Mrs. Trupti H. Shah (DIN.: 06884295) as Independent Director of the Company for another five consecutive years from 1<sup>st</sup> June, 2019 to 31<sup>st</sup> May, 2024 by passing of Special resolutions pursuant to the provisions of Section 149(10) read with Schedule IV of the Act.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mrs. Megha Bhati (DIN: 08278063) was appointed as an Additional Independent Director by the Board of Directors of the Company in its meeting held on 14<sup>th</sup> November, 2018 for a period of five years with effect from 14<sup>th</sup> November, 2018, subject to the approval of shareholders at the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of Companies Act, 2013 proposing her candidature as an Independent Director of the Company.

The Board of Directors of the Company, in its meeting held on 30<sup>th</sup> May, 2019 re-appointed Mr. Vipul P. Shah (DIN: 00181636) as Managing Director of the Company for a further period of three years w.e.f. 15<sup>th</sup> June, 2019 to 14<sup>th</sup> June, 2022, subject to approval of the shareholders at the 47<sup>th</sup> Annual General Meeting of the Company. Your directors recommend his reappointment.

The Board of Directors of the Company, in its meeting held on 14<sup>th</sup> August, 2019 re-appointed Dr. Shiv Nath Sahai (DIN: 00332652) as Whole-Time Director (designated as Whole Time Director & CFO) of the Company for a period of six months w.e.f. 1<sup>st</sup> October, 2019 to 31<sup>st</sup> March, 2020, subject to approval of the shareholders at the 47<sup>th</sup> Annual General Meeting of the Company. Your directors recommend his reappointment.

Brief resume of the directors proposed to be re-appointed as stipulated under Regulations 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), are provided in Notice of 47<sup>th</sup> Annual General Meeting of the Company.

### **III. Cessation:**

Mrs. Trupti H. Shah, Independent Director of the Company resigned w.e.f the closing hours of 14<sup>th</sup> November, 2018. The Board places on record its sincere appreciation towards the valuable contribution made by her during her tenure as Independent Director of the Company.

Ms. Rishika Puri, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. closing working hours of 10<sup>th</sup> February, 2019. The Board places on record its sincere appreciation for her hard work during her tenure in the Company.

### **IV. Declaration from Independent Directors**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

### **V. Annual performance evaluation by the Board**

The Board has devised a policy pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for performance evaluation of the chairman, board, individual directors (including independent directors) and committees which includes criteria for performance evaluation of non-executive directors and executive directors.

The Nomination and Remuneration Committee of the Company have specified the manner of effective evaluation of the performance of Board, its committees and individual directors of the Company and has authorized the Board to carry out their evaluation and based on the manner specified by the Nomination and Remuneration Committee, the Board has devised questionnaire to evaluate the performances of each of executive and non-executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board has from each of the Directors. The evaluation framework for assessing the performance of directors comprises of the following key areas:

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

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

During the year under review, a separate meeting of the Independent Directors of the Company was held on 8<sup>th</sup> February, 2019 for evaluation of performance of non-independent Directors, the Board as a whole.

## VI. 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. Rishika Puri	Company Secretary and Compliance Officer (upto 10 <sup>th</sup> February, 2019)
4.	Ms. Yogita Mundhra	Company Secretary and Compliance Officer (w.e.f. 11 <sup>th</sup> February, 2019)

## 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 6 times during the year under review 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 11. COMMITTEES OF THE BOARD:

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted three committees of the Board, namely:

1. Audit Committee;
2. Stakeholders' Relationship Committee; and
3. Nomination and Remuneration Committee

Details of all the Committees along with their composition and meetings held during the year are provided in the Corporate Governance Report, a part of this Annual Report.

## 12. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31<sup>st</sup> March, 2019, 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. The 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. Other details with respect to Audit Committee are given in Corporate Governance Report.

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.

### **13. REMUNERATION POLICY**

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a policy for selection and appointment of Directors, Key Managerial Personnel ('KMPs'), Senior Management Personnel ('SMPs') and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters.

The Remuneration Policy has been placed in the website of the company viz. [www.vipulorganics.com](http://www.vipulorganics.com).

### **14. 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(5) 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, 2019 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.

### **15. 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 protected adequately.

### **16. DEPOSITS**

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

**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 2018-19 are given under Notes to Accounts of Financial Statements.

**18. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, The mechanism also provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also 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>. We affirm that during the financial year 2018-19, no employee or Director was denied access to the Audit Committee.

**19. 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.

**20. 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.

In accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the policy on related party transactions and the same is available on the Company's website at <http://vipulorganics.com>.

**21. 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.

**22. 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**.

**23. 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 consecutive 5 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, after the amendment in Section 139 of the Act, effective 7<sup>th</sup> May, 2018, ratification by shareholders every year for the appointment of the Statutory Auditors is no longer 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 the Companies (Audit and Auditors) Rules 2014.

#### **24. 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 2018-19. The Secretarial Audit Report is appended as **Annexure – II** and forms a part of this Annual Report.

#### **25. INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Act, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee re-appointed M/s. Amit Desai & Associates, Chartered Accountants, Mumbai, as Internal Auditors of the Company. The Internal Auditors monitor and evaluates 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 reports the same on the quarterly basis to the Audit Committee.

#### **26. COST AUDITORS AND COST RECORDS**

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained in the prescribed manner. However the Company is not required to carry Cost Audit.

#### **27. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

There is no qualification or adverse remarks in the Statutory Audit Report.

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

1. Delay in filing some forms with Registrar of Companies (ROC) and transfer of shares to the DEMAT account of Investors Education and Protection Fund was inadvertent.
2. Delay in issue of share certificates lodged for transfer and processing demat request was due to tremendous volume pressure at RTA's place and same were processed subsequently.
3. Delay in submission of certain information / details under SEBI Regulations was inadvertent.

Further, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Act.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment issues in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

There was no complaint on sexual harassment pending at the beginning of the year, received during the year or pending at the end of the year under review.

## **29. 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.

## **30. 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.

## **31. 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" in its financial statements in accordance with the applicable provisions of Indian Accounting Standards ("Ind-AS").

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.

## **32. 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. Declaration on compliance with Code of Conduct;
- d. Certificate from Practicing Company Secretary that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies; and
- e. Auditors' Certificate regarding compliance with conditions of Corporate Governance.

## **33. MANAGERIAL REMMUNERATION AND OTHER DETAILS**

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as **"Annexure -IV"** and forms a part of this report.

The statement containing particulars of employees as required under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further in terms of Section 136 of the Act, the report and accounts are being sent

to the members excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during the working hours and any member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer of the Company and the same will be furnished on request.

#### **34. CORPORATE SOCIAL RESPONSIBILITY:**

The provision of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility were not applicable to the Company during the year under review.

#### **35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is annexed to this report as “**Annexure -V**” and forms a part of this report.

#### **36. 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 continued 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  
For Vipul Organics Limited**

**Place : Mumbai  
Date : 14<sup>th</sup> August, 2019**

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

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

## Annexure I

### EXTRACT OF ANNUAL RETURN

**Form No. MGT-9**  
**Extract of Annual Return**  
**(As on the financial year ended on March 31, 2019)**

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

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24110MH1972PLC015857
2.	Registration Date	21/06/1972
3.	Name of the Company	Vipul Organics Limited
4.	Category/Sub-Category of the Company	Company Limited by Shares/Non-Government Company
5.	Address of the Registered office and contact details	102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai, Maharashtra 400053 Tel.: 022-66139999, Fax.: 022-66139977, Email: companysecretary@vipulorganics.com Website: www.vipulorganics.com
6.	Whether Listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 Tel.: +91-22-62638200, Fax: +91-22-62638299 Email: info@bigshareonline.com Website: www.bigshareonline.com

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

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Fast Base	2411	18
2.	Reactive Dyes	2411	13
3.	Pigment	2411	38

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
1	Shree Ambika Naturals Private Limited Address: 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri West, Mumbai – 400053	U24200MH1988PTC04992	Subsidiary	56.04% of Equity shares & 100% of 1.5% Non-cumulative Optionally Convertible Preference Shares	2(87)

**SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category wise 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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/ HUF	42,10,100	0	42,10,100	54.50	42,10,100	0	42,10,100	54.50	0.00
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	0	0	0	0	0	0	0	0	0
e. Bank/ FI	0	0	0	0	0	0	0	0	0
f. Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (1):-</b>	<b>42,10,100</b>	<b>0</b>	<b>42,10,100</b>	<b>54.50</b>	<b>42,10,100</b>	<b>0</b>	<b>42,10,100</b>	<b>54.50</b>	<b>0.00</b>
<b>2. Foreign</b>									
a. NRI- Individual	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Body Corporate	0	0	0	0	0	0	0	0	0
d. Bank/ FI	0	0	0	0	0	0	0	0	0
e. Any Others	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)=(A1+A2)</b>	<b>42,10,100</b>	<b>0</b>	<b>42,10,100</b>	<b>54.50</b>	<b>42,10,100</b>	<b>0</b>	<b>42,10,100</b>	<b>54.50</b>	<b>0.00</b>
<b>B. Public</b>									
<b>1. Institution</b>									
a. Mutual Funds	0	19,600	19,600	0.25	0	19,600	19,600	0.25	0.00
b. Bank/FI	0	0	0	0	0	0	0	0	0
c. Cent. Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	0	0	0	0	0	0	0	0
f. Insurance Co.	0	0	0	0	0	0	0	0	0
g. FIIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i. Others	0	0	0	0	0	0	0	0	0
<b>Sub- Total –B(1)</b>	<b>0</b>	<b>19,600</b>	<b>19,600</b>	<b>0.25</b>	<b>0</b>	<b>19,600</b>	<b>19,600</b>	<b>0.25</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a. Body Corporate	3,88,286	28,200	4,16,486	5.39	3,29,181	28,200	3,57,381	4.63	(0.77)

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 1 lakh	6,14,276	2,18,830	8,33,106	10.79	6,82,082	1,66,830	8,48,912	10.99	0.20
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	21,18,273	-	21,18,273	27.42	21,21,294	0	21,21,294	27.46	0.04
c. Others									
i) Non Resident Indian(NRI)	33	17,300	17,333	0.22	1000	14,100	15,100	0.22	0.03
ii) NRI Repatriation	4541	0	4541	0.06	2506	0	2506	0.03	(0.03)
iii) NRI Non Repatriation	1450	0	1450	0.02	21866	0	21866	0.28	0.26
iv) Clearing Member	6361	0	6361	0.08	22,067	0	22,067	0.29	0.20
IEPF	97,250	0	97,250	1.26	1,05,674	0	1,05,674	1.37	0.11
<b>Sub-total B (2)</b>	<b>32,30,470</b>	<b>2,64,330</b>	<b>34,94,800</b>	<b>45.24</b>	<b>32,85,670</b>	<b>2,09,130</b>	<b>34,94,800</b>	<b>45.24</b>	<b>(0.00)</b>
<b>Total Public Shareholding (B)=(B1+B2)</b>	<b>32,30,470</b>	<b>2,64,330</b>	<b>35,14,400</b>	<b>45.50</b>	<b>32,85,670</b>	<b>2,28,730</b>	<b>35,14,400</b>	<b>45.50</b>	<b>(0.00)</b>
C. Shares held by Custodians for GDR's and ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>61,90,570</b>	<b>15,33,930</b>	<b>77,24,500</b>	<b>100</b>	<b>74,95,770</b>	<b>2,28,730</b>	<b>77,24,500</b>	<b>100</b>	<b>(0.00)</b>

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### 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	11,60,600	15.03	0	11,60,600	15.03	0	0
2	Mr. Vipul Pravinchandra Shah	9,26,100	11.99	0	9,26,100	11.99	0	0
3	Vipul P. Shah (HUF)	2,50,000	3.24	0	2,50,000	3.24	0	0
4	Mr. Pravinchandra Babubhai Shah	2,47,100	3.20	0	0	0	0	(3.20)
5	Mrs. Mita Vipul Shah	4,39,500	5.69	0	4,39,500	5.69	0	0
6	Mrs. Kavita P. Shah	50,750	0.66	0	50,750	0.66	0	0
7	Mr. Vatsal V. Shah	6,86,050	8.88	0	9,33,150	12.08	0	3.20
8	Mrs. Jaya P. Shah	4,50,000	5.83	0	4,50,000	5.83	0	0
	<b>Total</b>	<b>42,10,100</b>	<b>54.52</b>	<b>0</b>	<b>42,10,100</b>	<b>54.52</b>	<b>0</b>	<b>0</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	<b>11,60,600</b>	<b>15.03</b>	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	<b>11,60,600</b>	<b>15.03</b>
<b>2.</b>	<b>Mr. Vipul Pravinchandra Shah</b>				
A	At the beginning of year	<b>9,26,100</b>	<b>11.99</b>	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	<b>9,26,100</b>	<b>11.99</b>
<b>3.</b>	<b>Vipul P. Shah (HUF)</b>				
A	At the beginning of year	<b>2,50,000</b>	<b>3.24</b>	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	<b>2,50,000</b>	<b>3.24</b>
<b>4.</b>	<b>Mr. Pravinchandra Babubhai Shah</b>				
A	At the beginning of year	<b>2,47,100</b>	<b>3.20</b>	-	-
B	Changes during the year				
	Less: Transmission of shares – Inter se transfer to Mr. Vatsal V. Shah on 25.05.2018	-2,47,100	-3.20	-	-
C	At the end of year	-	-	<b>0</b>	<b>0.00</b>
<b>5.</b>	<b>Mrs. Mita Vipul Shah</b>				
A	At the beginning of year	<b>4,39,500</b>	<b>5.69</b>	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	<b>4,39,500</b>	<b>5.69</b>
<b>6.</b>	<b>Mrs. Kavita P. Shah</b>				
A	At the beginning of year	<b>50,750</b>	<b>0.66</b>	-	-
B	Change during the year	No change during the year			
C	At the end of year	-	-	<b>50,750</b>	<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	<b>6,86,050</b>	<b>8.88</b>	-	-
B	Change during the year				
	Add: Inter se Transfer of shares on 25.05.2018	2,47,100	3.20	-	-
C	At the end of year	-	-	<b>933150</b>	<b>12.08</b>
<b>8.</b>	<b>Mrs. Jaya P. Shah</b>				
A	At the beginning of year	<b>4,50,000</b>	<b>5.83</b>		
B	Change during the year	No change during the year			
C	At the end of year	-	-	<b>4,50,000</b>	<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. Manoj Bishan Mittal</b>				
	A. At the beginning of the year	<b>1,32,728</b>	<b>1.72</b>		
	B. Changes during the year				
	01.06.2018-Purchase	2,50,000	3.23	3,82,728	4.95
	C. At the end of the year			<b>3,82,728</b>	<b>4.95</b>
<b>2.</b>	<b>Mr. Kishor Punamchand Ostwal</b>				
	A. At the beginning of the year	<b>1,00,000</b>	<b>1.29</b>		
	B. Changes during the year				
	01.06.2018-Purchase	2,50,000	3.24	3,50,000	4.53
	C. At the end of the year			<b>3,50,000</b>	<b>4.53</b>
<b>3.</b>	<b>Mr. Kishor Ostwal</b>				
	A. At the beginning of the year	<b>2,50,000</b>	<b>3.24</b>		
	B. Changes during the year				
	06.04.2018-Sale	(2,50,000)	3.24		
	C. At the end of the year			<b>0.00</b>	<b>0.00</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>4.</b>	<b>Mr. Manoj Mittal</b>				
	A. At the beginning of the year	<b>2,50,000</b>	<b>3.24</b>		
	B. Changes during the year				
	06.04.2018-Sale	2,50,000	3.24		
	C. At the end of the year			<b>0.00</b>	<b>0.00</b>
<b>5.</b>	<b>Mr. Pranay Rajesh Shah</b>				
	A. At the beginning of the year	<b>90,000</b>	<b>1.17</b>		
	B. Changes during the year				
	01.06.2018-Purchase	50,000	0.64	1,40,000	1.81
	C. At the end of the year			<b>1,40,000</b>	<b>1.81</b>
<b>6.</b>	<b>Investors Education and Protection Fund Authority</b>				
	A. At the beginning of the year	<b>97,250</b>	<b>1.26</b>		
	B. Changes during the year				
	24.01.2019 transferred to IEPF	8,424	0.11	1,05,674	1.37
	C. At the end of the year			<b>1,05,674</b>	<b>1.37</b>
<b>7.</b>	<b>CNI Research Limited</b>				
	A. At the beginning of the year	<b>1,31,600</b>	<b>1.70</b>		
	B. Changes during the year				
	27.04.2018-Sale	(11,000)	0.14	1,20,600	1.56
	04.05.2018-Purchase	10,300	0.13	1,30,900	1.69
	08.06.2018-Sale	(17,300)	0.22	1,13,600	1.47
	10.08.2018-Sale	(5000)	0.06	1,08,600	1.41
	17.08.2018-Sale	(2000)	0.03	1,06,600	1.38
	24.08.2018-Sale	(15,000)	0.19	91,600	1.19
	31.08.2018-Purchase	6500	0.08	98,100	1.27
	21.12.2018-Purchase	1200	0.02	99,300	1.29
	01.02.2019-Sale	(4000)	0.06	95,300	1.23
	15.02.2019-Purchase	4000	0.06	99,300	1.29
	C. At the end of the year			<b>99,300</b>	<b>1.29</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>8.</b>	<b>Tecknopoint Mercantile Co Private Limited</b>				
	A. At the beginning of the year	<b>82,484</b>	<b>1.07</b>		
	B. Changes during the year				
	06.04.2018-Sale	(2700)	0.04	79,784	1.03
	22.03.2019-Purchase	10,974	0.14	90,758	1.17
	29.03.2019-Sale	(452)	0.01	90,306	1.17
	C. At the end of the year			<b>90,306</b>	<b>1.17</b>
<b>9.</b>	<b>Mr. Mehul Shah</b>				
	A. At the beginning of the year	<b>83,500</b>	<b>1.08</b>		
	B. Changes during the year	No change during the year			
	C. At the end of the year			<b>83,500</b>	<b>1.08</b>
<b>10.</b>	<b>Shalibhandra Jayantilal Varaiya(HUF)</b>				
	A. At the beginning of the year	<b>72,000</b>	<b>0.93</b>		
	B. Change during the year	No Change during the year			
	C. At the end of the year			<b>72,000</b>	<b>0.93</b>
<b>11.</b>	<b>Mr. Sunil Bansilal Raisoni</b>				
	A. At the beginning of the year	<b>65,722</b>	<b>0.85</b>		
	B. Changes during the year				
	22.06.2018-Sale	(1601)	0.02	64,121	0.83
	10.08.2018-Purchase	2000	0.03	66121	0.86
	31.08.2018-Purchase	5000	0.06	71,121	0.92
	20.09.2018-Sale	(19)	0.00	71,102	0.92
	C. At the end of the year			<b>71,102</b>	<b>0.92</b>
<b>12.</b>	<b>Ms. Aarti Bhupat Shah</b>				
	A. At the beginning of the year	<b>68,220</b>	<b>0.88</b>		
	B. Changes during the year				
	17.08.2018-Sale	(50)	0.00	68,170	0.88
	31.08.2018-Sale	(4613)	0.06	63,557	0.82
	07.09.2018-Purchase	500	0.00	64,057	0.83
	C. At the end of the year			<b>64,057</b>	<b>0.83</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>13.</b>	<b>Mr. B N Mittal</b>				
	A. At the beginning of the year	<b>55,750</b>	<b>0.72</b>		
	B. Changes during the year	No Change during the year			
	C. At the end of the year			<b>55,750</b>	<b>0.72</b>

**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	
	Name of the Director/KMP	No. of share	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. VipulPravinchandra Shah				
	A At the beginning of the year	<b>9,26,100</b>	<b>11.99</b>		
	B Changes during the year	No Change during the year			
	C At the end of year			<b>9,26,100</b>	<b>11.99</b>

**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 01.04.2018</b>				
1) Principal Amount	187912392	-	-	187912392
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>187912392</b>	<b>-</b>	<b>-</b>	<b>187912392</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	2174206888	-	-	2174206888
-Reduction	2179734197	-	-	2179734197
Net change	(5527309)	-	-	(5527309)
<b>Indebtedness at the end of the financial year 31.03.2019</b>				
1) Principal Amount	182385083	-	-	182385083
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>182385083</b>	<b>-</b>	<b>-</b>	<b>182385083</b>

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

Sr. No	Particulars of Remuneration	Name of MD/WTM/Manager		Total Amount (in Rs)
		Mr. Vipul P. Shah	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	59,55,000	8,10,000	67,65,000
	(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>59,55,000</b>	<b>8,10,000</b>	<b>67,65,000</b>
	Ceiling as per the Act	Rs. 55.38 Lakhs (10% of Net Profit of the Company) or Rs. 84 Lakhs p.a. per person whichever is higher		

**B. Remuneration of other directors:****(Amount in Rs.)**

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount (in Rs)
		Mr. Jagdeep Mehta	Mr. Prasannakumar B. Gawde	Mrs. Trupti Shah	Mrs. Megha S.Bhati	
1	<b>Independent Directors</b>					
	-Fee for attending board committee meetings	46,000	58,000	13,000	11,000	1,28,000
	- Commission	-	-	-	-	-
	-Others	-	-	-	-	-
	<b>Total (1)</b>	<b>46,000</b>	<b>58,000</b>	<b>13,000</b>	<b>11,000</b>	<b>1,28,000</b>
	<b>Ceiling as per the Act</b>	Rs. 5.53 Lakhs (1% of Net Profit of the Company)				
	<b>Overall Ceiling as per the Act</b>	Rs. 60.91 Lakhs (11% of Net Profit of the Company) or Rs. 84 Lakhs p.a. per person 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. Rishika Puri (upto 10.02.2019)	Ms. Yogita Mundhra ( w.e.f. 11.02.2019)	
		Company Secretary	Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	3,72,903	53,722	4,26,625
	(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>3,72,903</b>	<b>53,722</b>	<b>4,26,625</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  
For Vipul Organics Limited

Place : Mumbai  
Date : 14th August, 2019

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 2019**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration 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 31st March, 2019 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the audit period);
  - (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(not applicable to the Company during the audit period)**;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the audit period)**;
  - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the audit period)**;
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the audit period)**; and
  - (ix) 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 section / industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, *except in respect of matter specified below:*

1. Delay in filing of some e-forms with Registrar of Companies (ROC) and transfer of shares to the DEMAT account of Investors Education and Protection Fund;
2. Delay in issue of share certificates lodged for transfer and processing demat request; and
3. Delay in submission of certain information / details under SEBI Regulations.

#### **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, the Company had following specific events / actions having a major bearing on the Company's affairs:

- (a) the Company received a No-Objection Letter bearing no. DSC/AMAL/SD/R37/1330/2018-19 dated 12<sup>th</sup> November, 2018 from BSE Ltd., with respect to Scheme of Amalgamation of Efferchem Private Limited with the Company.

**For M Baldeva Associates  
Company Secretaries**

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

**Place : Thane**

**Date: 30<sup>th</sup> May, 2019**

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: 30<sup>th</sup> May, 2019**

**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	Shree Ambika Naturals Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	10455.000
5.	Reserves & surplus	(2759.272)
6.	Total assets	10828.000
7.	Total Liabilities	3132.000
8.	Investments	0
9.	Turnover	6539.450
10.	Profit before taxation	479.3882
11.	Provision for taxation	26.000
12.	Profit after taxation	219.3882
13.	Proposed Dividend	Nil
14.	% of shareholding	56.04% of Equity Shares and 100% of 1.5% Non Cumulative Optionally Convertible Preference Shares

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

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

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

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

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

**Place : Mumbai**  
**Date : 14<sup>th</sup> August, 2019**

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

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

**Annexure IV****Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-

Sl. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Mr. Vipul P. Shah	20.73
2.	Dr. Shiv Nath Sahai	2.53

- (ii) The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year

Sl. No.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.
1.	Mr. Vipul P. Shah	14.56%
2.	Dr. Shiv Nath Sahai	-
3.	Ms. RishikaPuri ( upto 10th February, 2019)	N.A.
4.	Ms. Yogita Mundhra (w.e.f. 11th February, 2019)	N.A.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 14.74%
- (iv) The number of permanent employees on the rolls of the company: 68
- (v) 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 27.45% and managerial personnel is 14.66%.
- (vi) 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.

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

**Place : Mumbai**  
**Date : 14<sup>th</sup> August, 2019**

**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 pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014**

<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>
	(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	<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>
	(iv) the expenditure incurred on Research and Development	

<b>C</b>	<b>Foreign exchange earnings and outgo</b>	<b>2018-19 (Rs. In Lakh)</b>	<b>2017-18 (Rs. in Lakh)</b>
	(i) The foreign exchange outgo (actual outflows)	768.51	134.99
	(ii) The foreign exchange earned (actual inflows)	7128.27	6367.62

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

**Place : Mumbai**  
**Date : 14<sup>th</sup> August, 2019**

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### GLOBAL PIGMENT DEMAND:

India has prominently grown as a manufacture and exporter of Organic Pigments, particularly Copper Phthalocyanine Crude ( Blue and Green) and a variety of high Performance pigments. In addition to this Azo- Pigments ( Yellow, Orange and Red ) are manufactured in a large quantity not only for domestic consumption but for international Market, as the Raw materials for backward integrations are abundantly available and not dependent wholly on imports. Mono - Colour Masterbatch Concentrates are in great demand from Global Market for Engineering Plastics.

Pigment Industry , like other chemical related Industry has been tremendously influenced by changing consumer patterns and trends, environmental regulations, political factors and development of new Technologies. These changes have presented both challenges and opportunities for future innovations.

Pigment Industry has been growing continuously and is projected turnover is expected to reach around USD 35-36 Billion Globally. The demand is increasing from the sectors like Industrial Coating, Digital Printing, jet- Inks, Decorative Paints, Latex- Rubber . Growth rate of noteworthy is CAGR 8 to 10% in terms of revenue. High Performance and Specialty Pigments are meant for Coating , Architectural, Automotive, Industrial, Marine Industry, Plastics, Inks ( Specially in Packaging ), Cosmetics, Textiles, Non-Impact Printing and Electronics. Among Inorganic Pigments, such as Titanium Dioxide, Carbon Black, Chrome Pigments, Iron Oxide , Red Oxides, etc. are much more in demand.

There has been a continuous cost increase of key Raw Materials in the World Market , which has resulted at all stages of Pigment manufacturing including basic Chemicals. There has been a scarcity of basic Raw Materials due to strict enforcement of Environmental and Safety Regulations Globally. Chinese Govt. has imposed closures as well as production limitations in order to reduce effluent and emission generated by the Chemical Industry , which has resulted into a limited availability of Pigment Intermediates, causing upward escalation of price. Chinese economy has slowed down , whereas Indian economy is progressing well. Projected GDP for 2019-20 is 6.9 %.

Asia being the largest market , emerging economics like China, India, Korea , Indonesia ,Taiwan and others are playing a very significant role in developing Market for High Performance Pigments. Plentiful Style Factor has created a positive impact on the usage of Organic Pigments in India. Overall demand for the sector is increasing Globally around 8-9 %.

#### DYESTUFFS INDUSTRY

Dye and Dyestuff Industry play an important role in overall growth of Chemical Industry. Mainly dyes are used in textile Industry. Textile, Carpets and Garment Industry are one of the largest and most important sectors. Growth of Textile Industry has a direct impact on the growth of dyestuff Industry. The demand for dyes is growing due to huge requirement from the cotton, viscose, polyester, nylon, acrylic , wool, silk, leather, paper , coir and jute industries.

Dyes and Dye-intermediates , which consists of Direct Dyes, Basic Dyes, Acid Dyes, Reactive Dyes, Vat Dyes ,Disperse Dyes, Sulphur Dyes, Solvent Dyes, Food colours, Naphthols, Fast Colour Bases and fast Salts including Optical Brightening Agents. Manufacturing is about 55-60% by Organized Sector and Balance 45-40 % by Unorganized Sector.

Largest categories share is for Reactive Dyes and Disperse Dyes accounting to about 45-50% of total consumption. Asia Pacific represents about 40 to 45 % of Global Market .The contribution of Indian Dyestuffs industry is about 10% of World production. Global Market for Textile Dyestuffs is around USD 7.55 Billion, which may go up to 10.25 Billion in next 4-5 years.

Indian Dyestuffs Industry plays a significant Role in the economic development of the country, being one of the core sector of Chemical Industry. Textile Dyestuffs are the second highest export segment in the Chemical Industry. States of Gujrat and Maharastra are the major production centre of Organized as well as unorganized sector. This is mainly due to availability of raw materials and textile industry in these regions. Major use of dyes are for textiles, viscose ,leather, wool, silk, nylon, Paper, plastics, printing inks and food Industries. About 75-80% of dyes are used by Textile Industry due to high demand of cotton and synthetic industry globally.

Today India exports dyes and dye-intermediates to those countries, on which we were dependent in the past for imports. Textile dyes Market is projected to grow at a CAGR of 7-8 % in next five years.

Unorganized Sector feeds the high cost of operations for meeting the industry requirement of pollution controlled parameters. Due to strict and stringent regulation imposed by the Environment Ministry (National Green Tribunal), the production is hampered, as effluents pollute the environments. So Effluent Treatment Plants, such as ZERO LIQUID DISCHARGE (ZLD) is the Latest Requirement in sanctioning the Environment clearance. Due to change in International Strategy, imports of Dye-Intermediates is reducing, so we have to design and find out the new strategies to ease the supplies and control the intermediates costs for the industry.

## **BUSINESS OF THE COMPANY**

The Company is a renowned Global player in Dyes and Pigment industry. The Company is manufacturing Dyestuffs for textiles, leather, ink, paper industries. Your Company is also producing Organic Azo Pigments. The Production Facilities are at three plants located at Palghar, Ambernath, Tarapur in the State of Maharashtra.

## **FUTURE OUTLOOK AND OPPORTUNITIES:**

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

Organic Pigments market is expected to grow on account of its use in other –use industries, such as Printing Ink, Decorative Paints, Industrial Coatings, Plastics, Latex, Engineering Plastics and Textiles. It is likely to boost the paint market in infrastructure, thereby augmenting the demand as colorants. Moreover, rising demand for value added, high quality Organic Pigments in Cosmetic industry is likely to drive growth in the next few years. Organic Pigment Market has reached maturity in America and Europe, the market is anticipated to receive a boost as major Companies are aiming at designing and developing products with continuously changing requirement of evolving technologies.

Volatility in Raw material prices is major constraint in growth of Organic pigments market, so many Multinational Company have been shifting their manufacturing base to low –cost countries in Asia Pacific region on account of less stringent environmental compliances and lower wages for work force.

One of the important style of printing is Digital-ink –jet printing. It substantiate new work culture and business plans with creative processes. Digital printing of textile materials accounts about 4-5 % of Global market and is most likely to go up to 10- 12 % in next few years, as this is a unique method of textile printing than conventional printing. A major advantage of this is to get varied combinations of inks with a lower water and energy cost.

## **Growth in paint, coating and textile is expected to go upwards in Indian colourants market**

TARAPUR Pigment plant is almost ready for commissioning, installation of Effluent Treatment –Plant (ZLD) is going on which is expected to be ready shortly. In fact, the initial trials for pigment Dispersions / Emulsions have been carried out successfully.

An Industrial Land is also acquired at Dhahej - Gujrat for next phase of expansion, wherein with the implementation of production, the Company will have a very strong position as top five pigment producer in India.

Since most of the Intermediates required in the manufacturing of Dyes and Pigments are produced in-House. We have anticipated a significant growth in terms of financial of the company due to increased capacity of production.

Presently, we are exporting to more than 51 countries and our quality is accepted Worldwide. It is our earnest desire to explore the new market to increase revenue. Our marketing team is on toes by way of making frequent Overseas Visits and finalizing the distributors / dealers Globally.

The company is also increasing its presence in Pan India basis. Distributors and Dealers are appointed in key areas of printing inks, plastics, and paint industry in addition to Textile Printing. We are positive that company will continue to deliver

profitable growth, led by enhanced capacity utilization, increased contribution of value added products and higher demand in the market.

The Unprecedented challenges and opportunities which lie ahead require it to be more proactive and responsible to the ever changing business functions and practices, so that it can adjust to the force of transformation which are taking place speedily. Effective strategies and approaches in Chemical Sector, India can make the world its playground.

We are pleased to inform the opening of Ahmedabad Branch Office, which will substantiate more co-ordination with industrial sector of Gujarat Region.

## **SEGMENT WISE OR PRODCUT 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, contact 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.

## **KEY FINANCIAL RATIOS:**

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2018 (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

<b>Ratios</b>	<b>2018- 2019</b>	<b>2017- 2018</b>
Debtors Turnover	0.27	0.28
Inventory Turnover	7.71	7.36
Interest Coverage Ratio	6.18	5.51
Current Ratio	1.17	1.15
Debt Equity Ratio	0.63	0.72
Operating Profit Margin (%)	6.95%	4.56%
Net Profit Margin (%) or sector-specific equivalent ratios	3.89%	2.85%
Return on Netwoth	12.41%	8.86%

## **HUMAN RESOURCE MANAGEMENT**

The Company considers its committed and talented workforce as partners in growth and our most critical assets to drive sustainable performance and develop competitive advantage. Our employees have played a significant role and enabled the Company to deliver superior performance year after year. In line with its business imperatives, the emphasis has been given to recruit the best talent and nurture, motivate and empower them. As at 31st March, 2019, the Company has strength of 68 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 2018-19.

### 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, 2019, the Board comprised of five directors. Out of these, two directors are Executive Directors out of which one is a Promoter, three are Non-Executive Independent Directors.

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 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 six (6) times on 30<sup>th</sup> May, 2018, 26<sup>th</sup> July, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, 24<sup>th</sup> December, 2018, 8<sup>th</sup> February, 2019. 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 2018-19 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 27 <sup>th</sup> September, 2018	No. of directorship held in other public companies	Committee position in other Companies		No. of directorship held in other listed Companies	Names of the Other Listed Entities where the person is a director
		Held	Attended			Chairman	Member		
Mr. Vipul P. Shah	Promoter & Managing Director	6	6	Present	1	-	-	-	Nil
Dr. Shiv Nath Sahai	Whole Time Director & CFO	6	6	Present	1	-	-	-	Nil
Mr. Jagdeep Y. Mehta	Independent Director	6	6	Present	-	-	-	-	Nil
Mr. Prasannakumar B. Gawde	Independent Director	6	6	Present	-	-	-	-	Nil
Mrs. Trupti H. Shah (resigned on 14.11.2018)	Independent Director	4	2	Absent	-	-	-	-	-
Mrs. Megha S.Bhati (Appointed w.e.f. 14.11.2018)	Independent Director	1	1	N.A.	-	-	-	-	Nil

**Note:**

- Directorships in respect of private limited companies, Section 8 companies and foreign companies have not been included.
- Position in Audit Committee and Stakeholders' Relationship Committee is considered for the purpose.
- None of the Directors hold directorships in more than 8 listed entities, membership in more than 10 committees and chairmanship in more than 5 committees.
- No director is related to any other Director on the Board.
- 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. List of Core Skills/Experience/Competencies Identified by the Board**

The Board comprises of persons with varies experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess:

1. Business Understanding
2. Strategy Planning
3. Governance
4. Finance

Sr. No.	Name of the Director	Category	Special Knowledge/Practical Experience/Skills/Expertise/Competencies
1.	Mr. Vipul P. Shah	Managing Director	Chemical Engineering, more than 31 years of experience in chemical dye stuff and pharmaceuticals industry
2.	Dr. Shiv Nath Sahai	Whole-Time Director & CFO	Technology Process , more than 38 years of experience in marketing and Techno Commercial areas
3.	Mr. Jagdeep Mehta	Independent Director	Dyes and Chemical Intermediates, more than 23 years of experience in the fields of accounts, finance, Dyes and Chemical Intermediates business
4.	Mr. Prasannakumar B. Gawde	Independent Director	Finance and Taxation, more than 25 years of experience in the field of finance and taxation
5.	Mrs. Megha Bhati	Independent Director	Strategic Planning and Digital Marketing, more than 8 years of experience in strategic planning, digital marketing, business development, administration, brand, event management

#### 6. 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 8<sup>th</sup> February, 2019 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.

#### 7. Criteria for Appointment of Independent Directors

The Nomination and Remuneration Committee while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company confirms that all the Independent Directors of the Company fulfil the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

#### 8. Terms and conditions for appointment of Independent Directors

Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal Letter of Appointment has been addressed to Independent Directors at the time of their appointment/re-appointment. The terms and conditions of appointment/re-appointment of Independent Directors has been disclosed on the website of the Company at [www.vipulorganics.com](http://www.vipulorganics.com).

#### 9. Resignation of Independent Director before the expiry of term:

The Members, in its 46<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2018 had approved the re-appointment of Mrs. Trupti H. Shah (DIN.: 06884295) as Independent Director of the Company for another five consecutive years

from 1<sup>st</sup> June, 2019 to 31<sup>st</sup> May, 2024 by passing of Special resolutions pursuant to the provisions of Section 149(10) read with Schedule IV of the Act.

However, Ms. Trupti H. Shah resigned from the directorship of the Company w.e.f. 14<sup>th</sup> November, 2018 due to her personal commitments before the expiry of her tenure of re-appointment tenure.

#### **10. 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.

#### **11. 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, 2019 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

#### **12. Code of Conduct for Prevention of Insider Trading:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. . All the directors, designated persons and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the code.

The Code of Practices and Procedures for Fair Disclosure 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 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. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

### 1.2. Composition of Committee:

As on 31<sup>st</sup> March, 2019, 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 Mehta and Mr. Vipul P. Shah as its members.

The Company Secretary and Compliance officer of the Company acts as the Secretary to the Committee.

### 1.3. Meeting and attendance during the year

During the year under review, 4 (four) meetings of the Audit Committee were held on 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, 8<sup>th</sup> February, 2019.

The composition of the Committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2019 is as under:

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

## **2. Nomination and Remuneration Committee:**

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, inter alia, recommends the remuneration payable to executive directors, key managerial personnel (KMPs) and senior management personnel (SMPs) of the Company.

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.

### **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 The Remuneration Policy is available on the website of the Company at [www.vipulorganics.com](http://www.vipulorganics.com).
- 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) determine terms and conditions for appointment of independent directors. The same is also available on the website of the Company at [www.vipulorganics.com](http://www.vipulorganics.com)
- x) 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, 2019, the Nomination and Remuneration Committee comprised of Mr. Prasannakumar B. Gawde as the Chairman of the Committee and Mr. Jagdeep Y. Mehta and Mrs. Megha S. Bhati as its members.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

### **2.3. Meetings and attendance during the year**

During the year under review, the Nomination and Remuneration Committee met 3 (three) times on 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 8<sup>th</sup> February, 2019.

The composition of the Committee and number of meetings attended by each member during the year ended 31st March, 2019 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 (upto 14 <sup>th</sup> November, 2018)*	Member	2	1
Mrs. Megha S. Bhati (w.e.f. 14 <sup>th</sup> November, 2018)**	Member	1	1

\* Ceased to be a director of the Company.

\*\* Appointed as a member of the Committee.

#### 2.4 Performance Evaluation Criteria for Independent Directors:

Pursuant to the Section 178 (2) Companies Act, 2013 read with Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

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

#### 3. Stakeholders' Relationship Committee:

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

##### 3.1 Brief terms of reference:

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 also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

##### 3.2 Composition

As on 31<sup>st</sup> March, 2019, the Committee comprised of Mr. Prasannakumar B. Gawde as Chairman of the Committee, Dr. Shiv Nath Sahai, Mr. Vipul P. Shah as its members.

##### 3.3 Meeting and Attendance during the year

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times on 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 8<sup>th</sup> February, 2019.

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	4	4
Mr. Vipul P. Shah	Member	4	4
Dr.. S. N. Sahai	Member	4	4

Ms. Rishika Puri, Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee upto 10.02.2019, w.e.f. 11.02.2019 MS. Yogita Mundhara, Company Secretary and Compliance Officer acted as the Secretary to the Committee.

### 3.4 Status of Investor complaints:

At the beginning of the year	Received during the year	Resolved during the year	Pending
0	0	0	0

### 3.5 Name and Address of the Compliance Officer:

Ms. Rishika Puri, Company Secretary and Compliance Officer (upto 10<sup>th</sup> Feb, 2019)  
 Ms. Yogita Mundhra, Company Secretary and Compliance Officer (w.e.f. 11<sup>th</sup> Feb, 2019)

E-mail : 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 No Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year 2018-19.
- 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 2018-19 and number of shares held as on 31<sup>st</sup> March, 2019 by the Directors of the Company are as follows:

(Amount in Rs.)

Name of the Directors	Salary & Perquisites	Performance/ Incentive/ Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Vipul P. Shah	59,55,000	-	-	-	59,55,000	9,26,100
Dr. Shiv Nath Sahai	8,10,000	-	-	-	8,10,000	-
Mr. Jagdeep Y. Mehta	-	-	-	46,000	46,000	-



Name of the Directors	Salary & Perquisites	Performance/ Incentive/ Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Prasannakumar B. Gawde	-	-	-	58,000	58,000	-
Mrs. Trupti H. Shah	-	-	-	13,000	13,000	-
Mrs. Megha S.Bhati	-	-	-	11,000	11,000	-

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.
3. The company has not entered into service contracts with directors and there is no severance fees payment.

## E. GENERAL BODY MEETINGS:

### 1.1. Details of the date, time location of the last three Annual/Extra Ordinary General Meetings are given below:

Financial Year	Date	Time	Venue
2017-18	27 <sup>th</sup> September, 2018	4.00 p.m.	Svenska Design Hotel, Off Link Road, Next to Laxmi Industrial Estate, Sab TV Road, Andheri(West), Mumbai-400053
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.

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

Date of Meetings	Particulars of Special Resolution
27 <sup>th</sup> September, 2018	1) Revision in the remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company w.e.f. 1 <sup>st</sup> July, 2018 for the remaining period of his tenure;
	2) To take office premises 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;
	3) Approval of agreements for purchase/sale of goods and providing/availing services, etc entered into with related parties;
	4) 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, 2018 to 30 <sup>th</sup> September, 2019;
	5) Re-appointment of Mr. Prasannakumar .B. Gawde as an Independent Director for five consecutive years from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024;
	6) Re-appointment of Mr. Jagdeep Y. Mehta as an Independent Director for five consecutive years from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024;

	7) Re-appointment of Mrs. Trupti H. Shah as an Independent Director for five consecutive years from 1 <sup>st</sup> June, 2019 to 31 <sup>st</sup> May, 2024; 8) To increase borrowing limits of the Company not exceeding the sum of Rs. 100 Crores (Rupees One Hundred Crores only); 9) To increase limits to create charge on assets of the Company which shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.
29 <sup>th</sup> September, 2017	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. 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. 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. 4) Approval for increase in borrowing powers of the company. 5) To authorize the Board of Directors of the company to create charge on the assets of the company.
26 <sup>th</sup> August, 2016	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. 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. 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. 4) Approval of agreements for purchase/sale of goods and providing/availling services, etc entered into with related parties.
13 <sup>th</sup> June, 2016 (Extra Ordinary General Meeting)	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. 2) Alteration of Capital Clause V of the Memorandum of Association of the Company. 3) Alteration of Article No. 3 of the Articles of Association of the Company. 4) Change of name of the Company from 'Vipul Dyechem Limited' to 'Vipul Organics Limited'.

During the year 2018-19, 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- All India edition) Mumbai Lakshadweep (Marathi)	30.05.2018	01.06.2018
	14.08.2018	15.08.2018
	14.11.2018	16.11.2018
	08.02.2019	10.02.2019

- 1.2 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 in a user friendly and downloadable form.
- 1.3 During the year, the Company has not made any presentation to Institutional Investors and Analysts. All Corporate Announcements made to Stock Exchanges during the year 2018-19 are available on the website of the Company.

## G. GENERAL INFORMATION FOR SHAREHOLDERS:

### 1.1 Annual General Meeting for the financial year 2018-19:

Day : Monday  
 Date : 30<sup>th</sup> September, 2019  
 Time : 3:15 p.m.  
 Venue : Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Andheri, Mumbai – 400 058

### 1.2 Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March

### 1.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).

### 1.4 Cut-off date for remote e-voting:

The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Monday, 23<sup>rd</sup> September, 2019. Remote voting shall remain open from Friday, 27<sup>th</sup> September, 2019 at 09.00 a.m. and end on Sunday, 29<sup>th</sup> September, 2019 at 05.00 p.m.

### 1.5 Dividend Payment Date: Credit/ Dispatch between 8<sup>th</sup> October, 2019 and 14<sup>th</sup> October, 2019

### 1.6 Listing on Stock Exchanges:

#### BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

The Ahmedabad Stock Exchange Limited (derecognized as Stock Exchange vide SEBI order dated 2<sup>nd</sup> April, 2018)

### 1.7 Listing Fees: The Company has paid the necessary listing fees of the BSE Limited for the year 2019-20.

### 1.8 Stock Code: BSE: 530627

### 1.9 ISIN for NSDL & CDSL: INE834D01018

### 1.10 Stock Market Price Data and comparison with BSE Sensex:

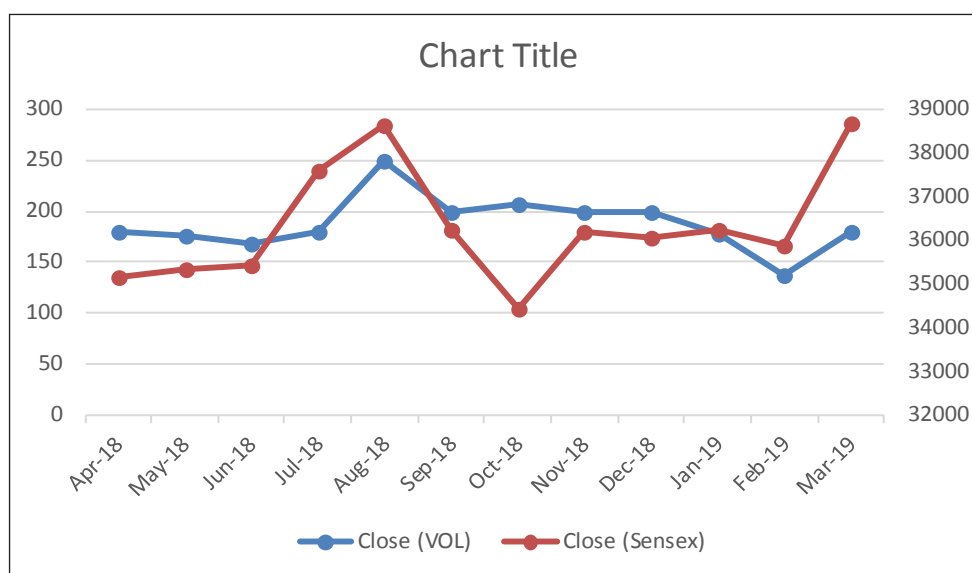
The monthly high and low quotations of shares traded on the BSE Limited during each month in last financial year are as follows:

Month	Company's Shares price at BSE*		BSE Sensex (Points)	
	High (Rs.)	Low (Rs.)	High	Low
April-18	193.30	165.00	35213.30	32972.56
May-18	190.00	167.00	35993.53	34302.89
June-18	190.00	166.00	35877.41	34784.68

Month	Company's Shares price at BSE*		BSE Sensex (Points)	
	High (Rs.)	Low (Rs.)	High	Low
July-18	185.00	155.00	37644.59	35106.57
August-18	265.90	180.00	38989.65	37128.99
September-18	263.30	189.00	38934.35	35985.63
October-18	223.50	185.00	36616.64	33291.58
November-18	215.00	197.00	36389.22	34303.38
December-18	220.00	185.95	36554.99	34426.29
January-19	216.50	175.00	36701.03	35375.51
February-19	178.00	126.50	37172.18	35287.16
March-19	188.00	132.05	38748.54	35926.94

\* Source: www.bseindia.com

**1.11 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, 2019:**



**1.12 Trading of Securities:** The securities of the Company were not suspended from trading during the year 2018-19.

**1.13 Registrar and Share Transfer Agents:**

Bigshare Services Pvt. Ltd.  
 1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis Apartments,  
 Makwana Road, Marol Maroshi Road,  
 Andheri (East), Mumbai 400059  
 Tel No.:+91-22-62638200  
 Fax No.:+91-22-62638299  
 Email ID: investor@bigshareonline.com; info@bigshareonline.com

**1.14 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 not 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. The SEBI vide its letter no. MRD/DOP2/DSA2/OW/2019/2503/1 dated 24<sup>th</sup> January, 2019 has granted relaxation in timeline for processing of dematerialization request number (DRN) to 30 days till 30<sup>th</sup> June 2019 from the current 15 days as specified in Regulation 74(5) of SEBI (Depository & Participants) Regulations 2018.

**1.15 The Distribution of Shareholding as at 31<sup>st</sup> March, 2019:**

Slab of Shares Holding (in Rs.)		Shareholders	Percentage (%)	Amount (Rs.)	Percentage (%)
From	To				
1	5000	2215	85.7198	3120370	4.0396
5001	10000	143	5.5341	1213610	1.5711
10001	20000	68	2.6316	1054240	1.3648
20001	30000	37	1.4319	957870	1.2400
30001	40000	13	0.5031	483280	0.6256
40001	50000	16	0.6192	762860	0.9876
50001	100000	29	1.1223	2234850	2.8932
100001	999999999	63	2.4381	67417920	87.2780
<b>TOTAL</b>		<b>2548</b>	<b>100.0000</b>	<b>77245000</b>	<b>100.0000</b>

**1.16 Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2019 about 97.04% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.

**1.17 Convertible Instrument:**

The Company has not issued any American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs), warrants or any convertible instruments during the financial year ended 31<sup>st</sup> March, 2019.

**1.18 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.

**1.19 Plant locations:**

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

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

Plot No. T-115, MIDC  
Industrial Area, Tarapur, Village Pam, Boiser (West),  
Dist. Palghar-401506 Maharashtra

**1.20 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, Maharashtra  
Tel No.: +91-22-62638200  
Fax No.: +91-22-62638299  
Email ID: info@bigshareonline.com  
investor@bigshareonline.com

**Ms. Yogita Mundhra  
Company Secretary and Compliance Officer**

102, Andheri Industrial Estate,  
Off Veera Desai Road,  
Andheri (West),  
Mumbai 400053.  
Tel No.: +91-22-66139999  
Fax No.: +91-22-66139977/75  
Email ID: companysecretary@vipulorganics.com

1.17 Credit Ratings and Change/Revisions in Credit Ratings for all Debt Instruments or any fixed Deposit Programme or any Scheme or proposal involving mobilization of funds, whether in India or abroad – Not applicable.

**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, 2019 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 2018-19, no employee was denied access to the Audit Committee.

**iv. Policy for determining “material” subsidiaries:**

As on 31<sup>st</sup> March, 2019, 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. The Company has formulated a policy for determining ‘material’ subsidiaries and the same is displayed on the website of the Company [www.vipulorganics.com](http://www.vipulorganics.com).

**v. Total fees for all services paid by the listed entity and its subsidiaries on a consolidated basis to the statutory auditors**

Details relating to fees paid to the Statutory Auditors are given in Note 35 to the Standalone Financial Statements and to the Consolidated Financial Statements.

**vi. Recommendation by Committee:**

The Board has accepted all recommendations from all the committees of the Board which is mandatorily required, during the financial year under review.

**vii. 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 Obligation and Disclosure Requirements) Regulation, 2015. The details of these compliances with the non-mandatory requirements adopted by the company has been given in the relevant section of this report.

**viii. Compliance of the requirements of Corporate Governance Report**

During the year 2018-19, 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 Obligation and Disclosure Requirements) Regulations, 2015.

**ix. Disclosure of the Compliance with Corporate Governance**

The Company has complied with the Regulation 17 to 20, 22, 23, 24A, 25 to 27 and Clause (b) and (i) sub-regulations 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 during the year 2018-19, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 are not applicable to the Company.

**x. 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) Un-Modified Opinion(s) in Audit Report**

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 report directly to the Audit Committee

**xi. Declaration on Compliance for Code of Conduct:**

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code was last reviewed by the board at its meeting held on February 8, 2019 and has been hosted on the website of the company at [www.vipulorganics.com](http://www.vipulorganics.com).

The confirmation from the Managing Director & CEO of the Company regarding compliance with the Code of Conduct and Ethics by all the Directors and Senior Management is annexed and forms part of this Report.

**xii. Code of Conduct for Prevention of Insider Trading**

The Company has in accordance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 (SEBI Regulations) as amended from time to time, formulated the 'Code of Conduct for Prevention of Insider Trading' and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The amended Code is now only applicable to the 'Designated Persons' of the Company and its Subsidiary companies. The Designated Persons are required to ensure fullest compliance with the Company's Code at the time of dealing in Company's Securities, which inter alia includes equity shares and debentures, (by way of Buy/Sell/ ESOP exercise/ Pledge Creation/Pledge Revocation and Invocation of Pledge, etc.).

**xiii. Certificate from Practising Company Secretaries under Regulation 34(3) of SEBI(Listing Obligation and Disclosure Requirements) Regulations,2015**

The Company has received a Certificate pursuant to the Regulation 34(3) read with Schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations,2015 from M Baldeva & Associates, Practising Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India (SEBI)/ Ministry of Corporate Affairs or any other statutory authority is also annexed herewith and forms part of this Report.

**xiv. Disclosure of accounting treatment:**

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind-As) issued by the Institute of Chartered Accountants of India to the extent applicable.

**xv. 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, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

**xvi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

During the financial year 2018-19, the Company has not raised any funds through preferential allotment or qualified institutions placement.

**xvii. Policies of the Company**

As a part of good Corporate Governance, the Company has from time to time adopted various policies/codes which are hosted on the website of the Company at [www.vipulorganics.com](http://www.vipulorganics.com)

**xviii. Disclosures in relation to the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	0
b.	Complaints disposed of during the financial year	0
c.	Complaints pending as on end of the financial year	0

**xix. 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**

As per Regulation 17 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2019.

**For Vipul Organics Limited**

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

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2019**

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**Independent Auditor's Certificate on Compliance with the Corporate Governance Requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**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 on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management's Responsibility**

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

**Auditor's Responsibility**

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

**Opinion**

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as

stipulated in the Listing Regulations during the year ended 31 March 2019. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**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, 2019**

## **CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

**(Pursuant to Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To  
The Members of  
Vipul Organics Limited**

On the basis of the written representation/declaration received from the directors of **Vipul Organics Limited** (CIN: L24110MH1972PLC015857) and taken on record by the Board of Directors of the Company and produced before me for the purpose of this certificate, and according to the verification of DIN status at MCA Portal viz. **www.mca.gov.in**, pursuant to the Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that as on 31<sup>st</sup> March, 2019, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

I have expressed the above opinion on the basis of my verification of documents made available and information as available on websites of the (SEBI) and (MCA).

**For M Baldeva Associates  
Company Secretaries**

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

**Date: 30<sup>th</sup> May, 2019  
Place: Thane**

## Independent Auditor's Report

### To the Members of Vipul Organics Limited

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

We have audited the accompanying Standalone Financial Statements of Vipul Organics Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to be communicated in our report.

#### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

### Report on Other Legal and Regulatory Requirements

1. As required by 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 to the extent applicable.
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 Standalone 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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) As required by Section 197(16) of the Act, we report that during the year, the Company has paid remuneration to its directors in accordance with the provisions of and limits laid down under Section 197 of the Act.
  - (h) 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 delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**  
**Place: Mumbai**  
**Date: 30th May, 2019**

**“Annexure A” to the Independent Auditors’ Report of even date on  
the Standalone 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 Standalone financial statements of the Company for the year ended 31st March, 2019 :

- 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) in our opinion ,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 ,Goods & 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 31st March, 2019 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 not made preferential allotment of shares during the year under review. Funds so raised in previous year 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: 30th May, 2019**

**“Annexure B” to the Independent Auditor’s Report of even date on  
the Standalone Financial Statements of Vipul Organics Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013  
 (“the Act”)**

We have audited the internal financial controls over financial reporting of Vipul Organics Limited (“the Company”) as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s Board of Directors 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 31st March, 2019, 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.

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

**R. A. Kuvadia**  
**Proprietor**  
**Membership No. 040087**  
**Place: Mumbai**  
**Date: 30th May, 2019**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019**

(Rs. In `000s)

	Note No.	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	58,928.316	62,231
Intangible Assets	4	2,106.322	-
Capital work-in-progress	4	1,65,500	51,733
Intangible Capital work-in-progress	4	-	1,826
Investment in Subsidiaries	5	11,255	11,255
Other Investment-Financial Asset	5	7,599	8,804
Other non-current assets	6	50,029	73,287
		<b>2,95,417</b>	<b>2,09,136</b>
<b>Current Assets</b>			
Inventories	7	84,071	87,960
Financial assets			
Trade receivables	8	2,02,767	2,81,508
Cash and Cash equivalents	9	16,028	1,321
Other bank balances	10	12,888	31,857
Other Financial assets	11	30,035	912
Other current assets	12	94,661	96,385
		<b>4,40,450</b>	<b>4,99,942</b>
		<b>7,35,868</b>	<b>7,09,078</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	77,245	77,245
Other Equity	14	2,06,365	1,78,428
Advance Subscription against share warrants	15	-	-
Equity attributable to owners of the company		2,83,610	2,55,673
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	73,640	17,234
Non Current provisions	17	264	264
Deferred tax liabilities (Net)	18	852	1,502
		<b>74,756</b>	<b>19,001</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	1,06,515	1,66,215
Trade payables	20		
Total Outstanding Dues -Micro and small enterprises		23,893	-
Total Outstanding Dues -Other than micro & small enterprises		1,83,204	2,34,957
Other Financial liabilities	21	38,711	15,451
Other current liabilities	22	10,459	6,151
Short-term provisions	23	14,719	11,631
		3,77,501	4,34,405
		<b>7,35,868</b>	<b>7,09,078</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, 2019

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 & Chief Financial Officer  
DIN:00332652

Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019****(Rs. In `000s)**

	<b>Note No.</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>I. Revenue from operations</b>	24	9,04,287	7,95,908
<b>II. Other income</b>	25	4,397	4,814
<b>III. Total Revenue (I + II)</b>		<b>9,08,685</b>	<b>8,00,723</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26	2,12,021	1,94,404
Purchases of Stock-in-Trade	26	4,45,866	4,20,479
Changes in Inventories of Stock-in-Trade	27	4,879	(8,758)
Excise Duty		-	1,981
Employee benefits expense	28	32,958	27,762
Finance costs	29	10,878	9,017
Depreciation	30	6,130	6,766
Other Expenses	31	1,45,712	1,15,134
<b>Total expenses</b>		<b>8,58,444</b>	<b>7,66,786</b>
<b>V. Profit before tax (III-IV)</b>		50,241	33,937
<b>VI. Tax expense:</b>			
(1) Current tax	32	15,600	11,830
(2) Deferred tax		(583)	(548)
<b>Total Tax expense</b>		<b>15,017</b>	<b>11,282</b>
<b>VII. Profit for the year (V-VI)</b>		35,223	22,655
<b>VIII. Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligations		153	-
Income tax relating to above items that will not be reclassified to profit or loss		(43)	-
<b>Other comprehensive income/(loss) net of tax</b>		<b>110</b>	<b>-</b>
<b>IX. Total comprehensive income net of tax (VII+VIII)</b>		<b>35,334</b>	<b>22,655</b>
<b>X Earnings per equity share:</b>	33		
(1) Basic		4.57	3.38
(2) Diluted		4.57	3.38
<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

R. A. Kuvadia  
Proprietor  
Membership No. 040087

Mumbai  
Dated : 30<sup>th</sup> May, 2019

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

Vipul P. Shah  
Managing Director  
DIN:00181636

Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436

Dr. Shiv Nath Sahai  
Whole Time Director & Chief Financial Officer  
DIN:00332652



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax</b>	<b>50,241</b>	<b>33,937</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation	6,130	6,766
Finance Cost	10,878	9,017
Dividend Income	(155)	(91)
Gain on fair value of financial asset	1,205	-
Interest Income	(4,160)	(4,723)
Sundry Balance written back	(82)	-
Bad Debts written off	292	92
Profit/Loss on sale of Fixed Assets	4	15
Other comprehensive income	(153)	-
	<b>13,958</b>	<b>11,075</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>64,199</b>	<b>45,013</b>
(Increase) / Decrease in Inventories	3,889	(11,200)
(Increase) / Decrease in Trade receivables	78,449	(1,35,895)
(Increase) / Decrease in Other Financial assets	(10,155)	(4,979)
(Increase) / Decrease in Other Current assets	1,724	(49,507)
(Increase) / Decrease in Other Non Current assets	23,258	(16,162)
(Decrease) / Increase in Trade payables	(27,778)	81,822
(Decrease) / Increase in Other financial liabilities	23,341	12,284
(Decrease) / Increase in Other current liabilities	4,070	1,937
	<b>96,800</b>	<b>(1,21,701)</b>
Cash Generated from Operations	1,60,998	(76,688)
Direct Taxes Paid (including TDS) Net	(12,228)	(5,084)
<b>Net Cash Flow from Operating Activities -</b>	<b>A 1,48,771</b>	<b>(81,772)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/(Purchase) of Tangible ,Intangible Assets and Capital Work in Progress	(1,16,919)	(47,522)
Dividend Income	155	91
Interest Income	4,160	4,723
<b>Net Cash used in Investing Activities -</b>	<b>B (1,12,604)</b>	<b>(44,864)</b>

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Share issue / Share Application Received	-	43,800
(Decrease) / Increase in long term Borrowings (net)	56,406	13,267
(Decrease) / Increase in Short term Borrowings (net)	(59,700)	66,731
Dividend Paid	(7,287)	(5,856)
Interest Paid	(10,878)	(9,017)
<b>Net Cash from Financing Activities</b>	<b>(21,459)</b>	<b>1,08,926</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C</b>	<b>14,707</b>	<b>(17,710)</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks	16,028	1,321
Less: Cash and Cash Equivalents as at the beginning of the year	1,321	19,031
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>14,707</b>	<b>(17,710)</b>
Note:		
Figures in bracket denote outflow of cash.		

**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, 2019**

**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 & Chief Financial Officer**  
**DIN:00332652**

**Yogita Mundhra**  
**Company Secretary & Compliance Officer**  
**Membership No.: A57436**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2019**

(Rs. In `000s)

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

	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning of the reporting period	77,24,500	77,245	62,64,500	62,645
Changes in equity share capital during the year	-	-	14,60,000	14,600
<b>Balance at the end of the reporting period</b>	<b>77,24,500</b>	<b>77,245</b>	<b>77,24,500</b>	<b>77,245</b>

**b. Other Equity**

	Reserves and Surplus				Total
	Securities premium	Capital Reserve	General reserve	Retained Earnings	
<b>Balance at 01 April 2017</b>	<b>29,478</b>	<b>6,278</b>	<b>9,010</b>	<b>49,635</b>	<b>94,400</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>73,278</b>	<b>6,278</b>	<b>9,010</b>	<b>66,162</b>	<b>1,54,728</b>
Profit for the year	-	-	-	35,223	35,223
Addition / reduction during the year	-	-	-	(7,396)	(7,396)
<b>Balance at 31 March 2019</b>	<b>73,278</b>	<b>6,278</b>	<b>9,010</b>	<b>93,989</b>	<b>1,82,555</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, 2019

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 & Chief Financial Officer  
DIN:00332652

Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 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, 2019 were considered by the Board of Directors and approved for issuance on 30<sup>th</sup> May, 2019.

### 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.

### 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."

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****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.

**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."

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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****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 written down value basis and manner prescribed in Schedule II to the Act.

**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.

**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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****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 or 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.

**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."



**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****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 asset 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

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

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."

**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."

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****“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.”

**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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****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.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 4. Property, plant and equipment

		(Rs. In '000s)									
		Gross Block				Accumulated depreciation / amortisation				Net block	
		As at April 01, 2018	Additions during the year	Deletion during the year	As at March 31, 2019	As at April 01, 2018	Additions during the year	Deletion during the year	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
<b>A</b>	<b>Property, plant and equipment</b>										
	Factory Land	27,019	-	-	27,019	-	-	-	-	27,019	27,019
	Factory Building	4,974	-	-	4,974	953	401	-	1,354	4,021	3,620
	Plant & Machinery	32,838	937	-	33,775	7,569	3,742	-	11,311	25,269	22,464
	Furniture & Fixtures	3,716	220	-	3,936	1,686	536	-	2,222	2,030	1,714
	Motor Car/Vehicles	5,407	63	-	5,470	2,874	809	-	3,682	2,533	1,788
	Office Equipment	1,243	201	61	1,383	589	298	16	871	654	512
	Computer	822	1,424	-	2,246	510	298	-	808	312	1,438
	Office Building	435	-	-	435	41	19	-	61	394	375
	<b>Total A</b>	<b>76,453</b>	<b>2,845</b>	<b>61</b>	<b>79,237</b>	<b>14,222</b>	<b>6,103</b>	<b>16</b>	<b>20,309</b>	<b>62,231</b>	<b>58,928</b>
<b>B</b>	<b>Capital work-in-progress</b>										
		51,733	1,13,767	-	1,65,500	-	-	-	-	51,733	1,65,500
	<b>Total B</b>	<b>51,733</b>	<b>1,13,767</b>	<b>-</b>	<b>1,65,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,733</b>	<b>1,65,500</b>
<b>C</b>	<b>Intangible Assets</b>										
	Software	-	2,134	-	2,134	-	27	-	27	-	2,106
	<b>Total C</b>	<b>-</b>	<b>2,134</b>	<b>-</b>	<b>2,134</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>2,106</b>
<b>D</b>	<b>Intangible assets under development</b>										
	Software development	1,826	307	2,134	-	-	-	-	-	1,826	-
	<b>Total D</b>	<b>1,826</b>	<b>307</b>	<b>2,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,826</b>	<b>-</b>

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.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

Notes to the financial statement for the year ended March 31, 2018

		(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 April 01, 2017	As at March 31, 2018
<b>A</b>	<b>Property, plant and equipment</b>										
	Factory Land	27,019	-	-	27,019	-	-	-	-	27,019	27,019
	Furniture & Fixtures	3,686	30	-	3,716	968	718	-	1,686	2,718	2,030
	Electrical Installation	-	-	-	-	-	-	-	-	-	-
	Lab Equipment	-	-	-	-	-	-	-	-	-	-
	Vehicles	5,407	-	-	5,407	1,706	1,168	-	2,874	3,701	2,533
	Office Equipment	784	539	79	1,243	347	287	44	589	437	654
	Computer	527	295	-	822	304	206	-	510	223	312
	Office Building	435	-	-	435	21	20.17	-	41	414	394
	<b>Total A</b>	69,903	<b>6,628.67</b>	<b>79</b>	<b>76,453</b>	<b>7,499.95</b>	<b>6,766</b>	<b>44</b>	<b>14,222</b>	<b>62,403</b>	<b>62,231</b>
<b>B</b>	<b>Capital work-in-progress</b>										
		12,645	41,533	2,445	51,733	-	-	-	-	12,645	51,733
	<b>Total B</b>	12,645	<b>41,533</b>	<b>2,445</b>	<b>51,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,645</b>	<b>51,733</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>5 Non-current Investments:</b>			
<b>Investment in Subsidiaries</b>			
(Fully Paid Up, Carried At Cost)			
<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
2550 (Prev.Yr. 2550) Equity Shares of Rs.100 each.			
<b>(b) Investments in Preference Shares :</b>			
Investments in Preference Shares of Subsidiaries:			
100000 ( Prev. Year 100000) 1.5% Non-Cumulative Optionally Convertible Preference Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted)		11,000	11,000
<b>Total</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)		7,557	8,763
<b>(b) Investments in Government Securities :</b>			
Government Securities (Unquoted at cost)		1	1
(Deposited with Government authorities)			
<b>(c) Investments in Debentures:</b>			
Debentures (at Cost)		41	41
<b>Total</b>		<b>7,599</b>	<b>8,804</b>

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

(Rs. In `000s)				
	As at			
	31 <sup>st</sup> March,2019		31 <sup>st</sup> March,2018	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	91	1,000	385
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100l) Equity shares Fully paid of Rs.10 Each)	100	13	100	18
Arvind Fashion ltd (200 (prev Yr Nil) Equity shares Fully paid of Rs.4 Each)	200	209	-	-
The Anup engg ltd (37 (prev Yr Nil)Equity shares Fully paid of Rs.10 Each)	37	21	-	-



**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019****(Rs. In `000s)**

	<b>As at</b>			
	<b>31<sup>st</sup> March, 2019</b>		<b>31<sup>st</sup> March, 2018</b>	
	<b>Units</b>	<b>Amount in (Rs.)</b>	<b>Units</b>	<b>Amount in (Rs.)</b>
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	317	2,500	304
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	95	8,400	179
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev. Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	93	895	102
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	11	1,000	17
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	91	1,250	91
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	248	500	208
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	37	346	90
Navin Flourine International Ltd.(1730 (Prev.Yr. 1730 ) Equity shares Fully paid of Rs.2 Each)	1,730	1,230	1,730	1,334
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	2,943	20,000	3,827
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	343	500	306
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	108	3,000	258
Petronet LNG Ltd.(6000 (Prev.Yr. 6000) Equity shares Fully paid of Rs.10 Each)	6,000	1,503	6,000	1,388
Standard Industries Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	152	9,900	204
Bank of Baroda Ltd.( 402 Equity shares fully Paid Rs. 2/- ,Prev year 1000 shares Vijaya bank Fully paid of Rs.10 Each)	402	52	1,000	52
		<b>7,557</b>		<b>8,763</b>

**(Rs. In `000s)****31<sup>st</sup> March, 2019      31<sup>st</sup> March, 2018****6 Other Non Current Assets  
(Unsecured and considered good)**

Capital Advances-Related (Refer note 37)	20,475	20,475
Capital Advances-Others	14,052	10,511
Deposits with Government Authorities and Others (Refer note 37 & 44)	13,268	40,509
Loans and advances to related parties		
- Subsidiaries (Refer Note 37)	2,234	1,792
<b>Total</b>	<b>50,029</b>	<b>73,287</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>7 Inventories</b>			
(At cost or net realisable value whichever is lower)			
(a) Raw materials		24,961	23,971
(b) Finished goods		59,110	63,989
<b>Total</b>		<b>84,071</b>	<b>87,960</b>
<b>8 Trade receivables (Unsecured)</b>			
Considered Good			
Overdue Trade Receivables		5,411	4,597
Trade Receivables		1,97,356	2,76,911
<b>Total</b>		<b>2,02,767</b>	<b>2,81,508</b>
The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are non-interest bearing.			
<b>9 Cash and Cash equivalents:</b>			
Balances with Scheduled Bank:			
In Current Account		14,183	760
In EEFC Account		1,203	0
Cash in Hand		642	561
<b>Total</b>		<b>16,028</b>	<b>1,321</b>
<b>10 Other bank balances</b>			
Earmarked Balance			
Unpaid Dividend Account		1,471	1,368
In Fixed deposit		11,416	30,488
<b>Total</b>		<b>12,888</b>	<b>31,857</b>
<b>11 Other Financial assets</b>			
Deposit to Related parties (refer Note no 38)		30,000	-
Accrued Interest		35	912
<b>Total</b>		<b>30,035</b>	<b>912</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>12 Other current assets:</b>			
<b>(Unsecured and considered good)</b>			
Loans and advances to Related parties (refer Note no 38)		13,932	12,444
Loans and advances to Employees		428	415
Prepaid Expenses		903	978
Balance with Government Authorities			
Excise		-	1,598
GST		47,896	55,404
MVAT Refund		3,175	5,502
Service Tax		552	758
Advances recoverable in cash or kind or for value to be received			
Export Incentive		18,598.139	11,264
Advance to Suppliers		9,173	8,020
Others		4	2
<b>Total</b>		<b>94,661</b>	<b>96,385</b>

**13 Equity Share capital:**
(Rs. In `000s)
  
(Except no. of shares)
**a) Equity Share capital**

	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No of shares	Amount	No of shares	Amount
<b>Authorised Share Capital:</b>				
Equity shares of Rs.10 each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
<b>Issued, Subscribed and Fully Paid-up Shares:</b>				
Equity shares of Rs.10 each fully paid up	77,24,500	77,245	77,24,500	77,245

**b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.**

	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No of shares	Amount	No of shares	Amount
Outstanding at beginning of the year	77,24,500	77,245	62,64,500	62,645
Issued During the Year **	-	-	14,60,000	14,600
<b>Balance as at End of Year</b>	<b>77,24,500</b>	<b>77,245</b>	<b>77,24,500</b>	<b>77,245</b>

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

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 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 recommended 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, 2019, the amount of per share dividend recognised as Rs 0.80 (March 31, 2018 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.

### d) List of shareholders who holds more than 5% of equity shares in the company:

Name of the shareholders	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No of shares	% of Holding	No of shares	%
Vipul P. Shah	9,26,100	11.99%	9,26,100	11.99%
Mihir V. Shah	11,60,600	15.02%	11,60,600	15.02%
Vatsal V. Shah	9,33,150	12.08%	6,86,050	8.88%
Mita V. Shah	4,39,500	5.69%	4,39,500	5.69%
Jaya P. Shah	4,50,000	5.83%	4,50,000	5.83%
	<b>39,09,350</b>	<b>50.61%</b>	<b>36,62,250</b>	<b>47.42%</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

	(Rs. In `000s)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>14 Other Equity</b>		
Capital Reserve	6,278	6,278
Securities Premium	96,978	96,978
General Reserve	9,010	9,010
Retained Earnings	93,989	66,162
Other reserves-Accumulated other comprehensive income	110	-
<b>Total</b>	<b>2,06,365</b>	<b>1,78,428</b>

### Reserves and surplus:

#### 14.1 Capital Reserve

Balance at beginning of year	6,278	6,278
<b>Balance at end of year</b>	<b>6,278</b>	<b>6,278</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>14.2 Securities Premium Account:</b>		
Balance at beginning of year	96,978	53,178
Add /Less: Premiun on Issue Of Equity Shares	-	43,800
<b>Balance at end of year</b>	<b>96,978</b>	<b>96,978</b>
<b>14.3 General Reserve</b>		
Balance at beginning of year	9,010	9,010
<b>Balance at end of year</b>	<b>9,010</b>	<b>9,010</b>
<b>14.4 Retained Earnings</b>		
Balance at beginning of year	66,162	49,634
Add: Profit after Tax for the year	35,223	22,655
Less: Appropriations:		
Tax Adjustments & Others	41	(95)
Dividend - Final	(6,180)	(5,012)
Corporate Dividend Tax thereon	(1,258)	(1,020)
<b>Balance at end of year</b>	<b>93,989</b>	<b>66,162</b>
Proposed dividend on equity shares not recognised		
Final dividend for the year ended Rs. 0.8 per share (PY Rs. 0.8 per share)	6,180	6,180
Dividend distribution tax on proposed dividend	1,270	1,258
<b>14.5 Other reserves-Accumulated other comprehensive income</b>		
Balance at beginning of year	-	-
Other comprehensive income	110	-
<b>Balance at end of year</b>	<b>110</b>	<b>-</b>
<b>15 Advance Subscription against share warrants</b>		
Preferential Share Warrant		
Nil (Previous year 14,60,000) Preferential Share warrant paid up Rs. 10 each	-	14,600
Less : Nil (Previous Year 14,60,000) Preferential Share Warrant converted into Equity Shares	-	14,600
	-	-

The Company had allotted 12,50,000 warrants to promoters & 10,00,000 warrants to non-promoter on 6<sup>th</sup> 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,2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March,2019	31 <sup>st</sup> March,2018
<b>16 Long term borrowings:</b>			
<b>Secured Loans</b>			
Term Loan from Bank			
Loan from Bank Against Vehicles		-	-
Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore		73,640	17,234
(refer note 21 -Current Maturity of long term Loan)			
<b>Total</b>		<b>73,640</b>	<b>17,234</b>

**Term Loans from Banks-Against Vehicles**

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.

**Term Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore for year ended 31.3.2019**

Rs. 86852('000) (Previous Year Rs.Nil ('000)) secured by hypothecation of movable fixed assets and Factory Building at Tarapore wherein in Term loan sanctioned for Rs 750 Lakhs principal payable in equal monthly installment of Rs. 9.62 Lakhs over period of 78 months after initial moratorium period of 6 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 9.85 % p.a & 6.65% on Foreign Currency Term Loan (6 months Libor + 4.14 %).Second Charge on Current assets by way of Hypothication on Stock and Book debts present and future on pari-passu basiss with Vijaya Bank. Along with personal guarantee of Mr. Vipul Shah & Mr. Mihir Shah.

**Term Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore for year 31.3.2018**

Rs. Nil('000) (Previous Year Rs.20938 ('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. which was taken over by Axis Bank .

		(Rs. In `000s)	
		31 <sup>st</sup> March,2019	31 <sup>st</sup> March,2018
<b>17 Non Current Provision</b>			
Provision for Gratuity		264	264
<b>Total</b>		<b>264</b>	<b>264</b>
<b>18 Deferred Tax Liabilities</b>			
Major components of deferred tax are:			
Related to Property ,Plant & Equipment		912	1,516
Others		(61)	(14)
<b>Net Deferred Tax Liability</b>		<b>852</b>	<b>1,502</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

	(Rs. In `000s)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>19 Short-term borrowings:</b>		
Loans repayable on demand		
From banks		
Secured	1,06,515	1,66,215
<b>Total</b>	<b>1,06,515</b>	<b>1,66,215</b>

**From Vijaya bank**

The working capital facilities from Banks are secured by way of Hypothication of Stock and Book Debts, ranking parri passu. 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.

**From Axis Bank**

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

- Factory Land & building & Movable Fixed assets at Plot no T-1115 , Tarapur Industrial Area, Village Pamtembhi , Taluka Palghar, Thane.
- Also covered in personal guarantee of Vipul Shah & Mihir Shah .

	(Rs. In `000s)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>20 Trade payables</b>		
Total Outstanding Dues -Micro and small enterprises	23,893	-
Total Outstanding Dues -Other than micro & small enterprises **	1,74,044	2,28,541
Acceptances	9,160	6,416
<b>Total</b>	<b>2,07,097</b>	<b>2,34,957</b>

**According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :**

- |  |               |    |
|--|---------------|----|
| i) Principal amount remaining unpaid   | <b>23,893</b> | ** |
| ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year. | -             | ** |



**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year ) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	**
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	<b>138</b>	**
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	<b>138</b>	**

\*\* For the previous year 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 had not received any claims for interest from any of the suppliers in the previous year.

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>21 Other Financial Liabilities:</b>		
Creditors for Fixed Assets & Provision for Expenses	20,599	8,684
Current Maturity of long term	13,213	4,714
Unclaimed Dividend	1,471	1,400
Financial liability on account of derivatives	1,878	453
Deposit from Dealers	1,550	200
<b>Total</b>	<b>38,711</b>	<b>15,451</b>
<b>22 Other current liabilities:</b>		
Advance from Customers	7,295	2,967
Duties & taxes	3,165	3,184
<b>Total</b>	<b>10,459</b>	<b>6,151</b>
<b>23 Short-term provisions:</b>		
Provision for Tax	14,719	11,631
<b>Total</b>	<b>14,719</b>	<b>11,631</b>
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>24 Revenue from operations</b>		
Export sales	7,19,490	6,77,365
Local sales (Including Excise Duty)	1,60,712	96,892
Export incentives	24,085	21,652
<b>Total</b>	<b>9,04,287</b>	<b>7,95,908</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>25 Other income:</b>			
Interest on Deposit with Banks & Others		1,366	1,966
Interest on Security Deposit-IND AS		2,794	2,757
Dividend on Investments		155	91
Misc. Income /Sundry Balance written back		82	-
<b>Total</b>		<b>4,397</b>	<b>4,814</b>
<b>26 a) Cost of materials consumed (Chemicals &amp; Others)</b>			
Opening Stock		23,971	21,529
Add: Purchases		2,13,011	1,96,847
Less: Closing Stock		24,961	23,971
<b>Total</b>		<b>2,12,021</b>	<b>1,94,404</b>
<b>b) Purchases of Stock-in-Trade</b>			
Dyestuff , Organic Pigments and Intermediates		4,45,866	4,20,479
<b>Total</b>		<b>4,45,866</b>	<b>4,20,479</b>
<b>27 Changes in Inventories of Stock-in-Trade</b>			
Inventories at the end of the year			
Dyestuff , Organic Pigments and Intermediates		59,110	63,989
Sub-total (A)		59,110	63,989
Inventories at the beginning of the year			
Dyestuff , Organic Pigments and Intermediates		63,989	55,231
Sub-Total (B)		63,989	55,231
<b>(A) -(B)</b>		<b>4,879</b>	<b>(8,758)</b>
<b>28 Employee benefits expense:</b>			
Salaries, Wages, Bonus and Gratuity		32,093	27,144
Employees' Welfare Expenses		865	617
<b>Total</b>		<b>32,958</b>	<b>27,762</b>
<b>29 Finance costs:</b>			
Bank Interest		9,395	8,574
Bank Charges-Processing Fees		1,435	293
Other Interest		48	150
<b>Total</b>		<b>10,878</b>	<b>9,017</b>
<b>30 Depreciation</b>			
Depreciation Expenses(Refer note no 4)		6,130	6,766
<b>Total</b>		<b>6,130</b>	<b>6,766</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>31 Other Expenses</b>		
Power and Fuel	19,556	18,269
Factory Rent	7,552	7,347
Factory Expenses	5,193	4,710
Labour & Transport	23,866	20,373
Repairs & Maintenance	6,627	8,052
Packing Material	8,775	7,405
Export Clearing ,Freight & Forwarding	12,477	12,752
Professional & Legal Charges	9,824	9,812
Travelling Expenses	6,279	7,195
Insurance Charges	3,965	3,966
Rent ,Rates & Electricity	4,244	3,210
Donation	1,288	423
Auditors Remuneration (Refer note no 35)	514	453
Exchange Gain /Loss	4,079	(6,514)
Commission	4,939	4,468
Fair Value Loss/(Gain) on Financial Assets	1,205	(2,156)
Loss on sales of assets	3,931	15
Miscellaneous/ Office Expenses	15,963	11,943
Bad Debts	292	92
Business Promotion	9,070	3,321
<b>Total</b>	<b>1,45,712</b>	<b>1,15,134</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	50,241	33,937
Weighted average enacted tax rates in India	27.82%	33.06%
Computed tax expense	13,977	11,220
<b>Tax effect of:</b>		
Deduction under Chapter VI A	179	(70)
Exemption of profit link incentives	(395)	(613)
Other exempt income	(43)	(30)
Others-Interest	964	776
Fair Value Gain on Financial Assets	335	-
<b>Actual Tax Expense</b>	<b>15,017</b>	<b>11,282</b>
Current Tax	15,600	11,830
Deferred tax	(583)	(548)
<b>Tax expense reported in the statement of profit and loss</b>	<b>15,017</b>	<b>11,282</b>

### Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

#### 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.	35,334	22,655
Weighted Average number of shares outstanding during the year - (B)	Nos.	77,24,500	66,99,240
<b>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</b>	<b>Rs.</b>	<b>4.57</b>	<b>3.38</b>

(Rs. In `000s)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
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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.	105	105

(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.)

<b>Total</b>	<b>726</b>	<b>726</b>
--------------	------------	------------

##### (ii) Commitment

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1000	2000
<b>Total</b>	<b>1000</b>	<b>2000</b>

#### 35 Payments to Auditors for the year

Auditors' Remuneration & Expenses

(a) As Auditors	424	385
(b) Certification and Other matters	90	68
<b>Total</b>	<b>514</b>	<b>453</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.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 37 Derivative Instruments and Unhedge Foreign Currency exposure

Derivative Outstanding as at the Reporting date	(Rs. In `000s)			
	As on 31st March, 2019		As on 31st March, 2018	
	Amount in	Amount in INR	Amount in	Amount in INR
	base currency		base currency	
	USD '000		USD '000	
Forward contract to sell USD	1,300	91,447	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	(Rs. In `000s)			
	As on 31st March, 2019		As on 31st March, 2018	
	Amount in	Amount in INR	Amount in	Amount in INR
	base currency		base currency	
	USD '000		USD '000	
Trade receivable	1,009	70,067	2,086	1,35,504
Trade payables & borrowings	1,052	73,000	408	26,538

### 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. Prasannakumar Gawde

Mr. Jagdeep Mehta

Mrs. Trupti Shah (Resigned w.e.f. 14.11.2018)

Mrs. Megha Satyendra Bhati (Appointed w.e.f. 14.11.2018)

##### c) Relatives of KMP

Mrs. Jaya P. Shah

V. P. Shah HUF

Mrs. Mita V Shah

Mr. Mihir V Shah

Mr. Vatsal V Shah

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

Jayshree Chemicals

Efferchem Pvt Ltd

Zeon Chemical industries LLP

Ganesh Tiles & Marble Industries

Amar Trading Corporation

Standardcon Pvt.Ltd.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**
**II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2019**
**(Rs. In `000s)**

Nature of transaction	Year	Subsidiary	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	<b>2018-2019</b>	<b>7,697</b>	-	<b>432</b>	<b>63,562</b>
	2017-2018	6,455	-	300	45,158
Sale/Services/Interest	<b>2018-2019</b>	<b>3,740</b>	-	-	<b>20,164</b>
	2017-2018	5,280	-	-	10,478
Share/Warrant Subscription received	<b>2018-2019</b>	-	-	-	-
	2017-2018	-	3,000	12,000	-
Mangerial Remuneration /Salary/Sitting Fees	<b>2018-2019</b>	-	<b>6,893</b>	<b>3,258</b>	-
	2017-2018	-	6,122	2,180	-
Balance Receivable/(Payable)	<b>31/03/2019</b>	<b>2,234</b>	<b>(154)</b>	<b>20,246</b>	<b>48,374</b>
	31/03/2018	1,792	-	20,401	38,518

**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.

A	As at March 31, 2018	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	<b>Financial assets</b>					
	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	-	-	-
	<b>Total</b>	<b>3,35,656</b>	<b>3,26,893</b>	<b>8,763</b>	<b>-</b>	<b>-</b>
	<b>Financial liabilities</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	1,81,212	-	453	-
	<b>Total</b>	<b>4,33,857</b>	<b>4,33,403</b>	<b>-</b>	<b>453</b>	<b>-</b>

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

(Rs. In `000s)

B	As at March 31, 2019	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	<b>Financial assets</b>					
	Non-current Investments	18,854	11,297	7,557	-	-
	Trade Receivables	2,02,767	2,02,767	-	-	-
	Cash and cash equivalents	16,028	16,028	-	-	-
	Other bank balances	12,888	12,888	-	-	-
	Other Financial Assets	30,035	30,035	-	-	-
	<b>Total</b>	<b>2,80,572</b>	<b>2,73,015</b>	<b>7,557</b>	<b>-</b>	<b>-</b>
	<b>Financial liabilities</b>					
	Other non-current financial liability	73,640	73,640	-	-	-
	Trade and other payables	2,07,097	2,07,097	-	-	-
	Other current financial liabilities	1,45,226	1,43,348	-	1,878	-
	<b>Total</b>	<b>4,25,963</b>	<b>4,24,085</b>	<b>-</b>	<b>1,878</b>	<b>-</b>

During the reporting period ending 31 March 2019 and 31 March 2018, 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.

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.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 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)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Considered Good</b>		
<b>0-12 Months</b>	1,97,356	2,76,911
<b>More Than 1 year</b>	5,411	4,597
<b>Carrying Amount of receivable</b>	<b>2,02,767</b>	<b>2,81,508</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

### Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

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.

Financial Liabilities	(Rs. In `000s)		
	As at 31 <sup>st</sup> March, 2018		
	Less than 1 year	More than 1 year	Total
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>

Financial Liabilities	As at 31 <sup>st</sup> March, 2019		
	Less than 1 year	More than 1 year	Total
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	73,640	73,640
Trade and other payables	2,07,097	-	2,07,097
Other current financial liabilities	1,45,226	-	1,45,226
<b>Total Financial Liabilities</b>	<b>3,52,323</b>	<b>73,640</b>	<b>4,25,963</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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

<b>Foreign currency exposure</b>	<b>Currency</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Trade receivables & Advance	USD in '000	2,309	3,904
<b>Net exposure to foreign currency risk (assets)</b>		<b>2,309</b>	<b>3,904</b>
Trade payables	USD in '000	108	234
Current Borrowings	USD in '000	387	175
Other financial liabilities	USD in '000	53	44
Net exposure to foreign currency risk (liabilities)	USD in '000	549	453
<b>Rupee Conversion Rate</b>		<b>69.41</b>	<b>64.97</b>

**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.

<b>Foreign currency</b>	<b>31<sup>st</sup> March, 2019</b>		<b>31<sup>st</sup> March, 2018</b>	
	<b>5% Weakening</b>	<b>5% Strengthening</b>	<b>5% Weakening</b>	<b>5% Strengthening</b>
USD	6,111	(6,111)	11,211	(11,211)
<b>Increase / (decrease) in profit and loss</b>	<b>6,111</b>	<b>(6,111)</b>	<b>11,211</b>	<b>(11,211)</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:

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Current Borrowings		
Variable rate borrowings	1,19,727	1,70,929
	<b>1,19,727</b>	<b>1,70,929</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 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, 2019		31 <sup>st</sup> March, 2018	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(599)	599	(855)	855
<b>Increase / (decrease) in profit and loss</b>	<b>(599)</b>	<b>599</b>	<b>(855)</b>	<b>855</b>

### 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.

	(Rs. In `000s)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Borrowings (long-term and short-term borrowings including current maturities)	1,93,367	1,88,163
Cash & Cash Equivalent including Other current financial asset	58,951	34,089
<b>Adjusted net debt</b>	<b>1,34,416</b>	<b>1,54,074</b>
<b>Total Equity</b>	<b>2,83,610</b>	<b>2,55,673</b>
Adjusted net debt to equity ratio	0.47	0.60

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

Indian Subsidiary	Percentage of ownership Interest as on	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Shri Ambika Naturals Private Ltd	56.04%	56.04%

**43** The Board of Directors of the Company has recommended a final dividend of Rs. 0.80 per equity share for the year ended March 31, 2019 (Previous Year Rs. 0.80 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.

**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 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.

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

- 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.

**As per our Report of even date  
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, 2019**

**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 & Chief Financial Officer  
DIN:00332652**

**Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436**

## **Independent Auditor's Report**

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

#### **Report on the Audit of the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Vipul Organics Limited ("the Holding Company"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019 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 notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Group as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to be communicated in our report.

#### **Information other than the Consolidated Financial Statements and Consolidated Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon. In connection with our audit of the Consolidated Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the Consolidated Financial Statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

#### **Other Matter**

We did not audit the Financial statement of a Subsidiary, whose financial statement reflects total Assets of Rs.10828/-('000) as at march 31,2019, total revenue of Rs. 6539/- ('000) and net cash inflow amounting to Rs. 123/-('000) for the year ended on that date, as considered in the Consolidated Financial Statement. 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 Financial Statement, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and our report in terms of sub-section (3) of section 143 of the Act , in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on other legal and regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (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 Consolidated 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 31stMarch,2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch,2019 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 Consolidated Financial Statements of the Group and the operating effectiveness of such controls, we give report in **"Annexure A"**.
- (g) As required by Section 197(16) of the Act, we report that during the year, the Company has paid remuneration to its directors in accordance with the provisions of and limits laid down under Section 197 of the Act.
- (h) 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 Group has disclosed impact of pending litigation on its financial position in its Consolidated Financial Statements. (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 delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there has been no delay in transferring the said amounts by its Subsidiary Company.

**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,2019**



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

Referred to in paragraph 1(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ in the Independent Auditors Report of even date to the members of Vipul Organics Limited (the Holding company) on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019:

**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 Consolidated financial reporting of Vipul Organics Limited (“the Company”) as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

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

The Holding Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group’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 Group’s internal financial controls over Consolidated 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 Consolidated Financial Statements, 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 Consolidated Financial Statements.

**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 with reference to Consolidated Financial statements, 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 with reference to Consolidated Financial Statements 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 Group has, in all material respects, an adequate internal financial controls with reference to system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Group 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 with reference to consolidated Financial statements in so far as it relates to a subsidiary company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in 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, 2019**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH ,2019**

		(Rs. In `000s)	
	Note No.	31 <sup>st</sup> March,2019	31 <sup>st</sup> March,2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	61,030.514	64,289
Intangible Assets	4	2,106.322	-
Capital work-in-progress	4	1,65,500	51,733
Intangible Capital work-in-progress	4	-	1,826
Other Investment-Financial Asset	5	7,599	8,804
Other non-current assets	6	47,843	71,544
		<b>2,84,079</b>	<b>1,98,195</b>
<b>Current Assets</b>			
Inventories	7	87,510	89,548
Financial assets			
Trade receivables	8	2,07,560	2,86,292
Cash and Cash equivalents	9	16,381	1,550
Other bank balances	10	12,888	31,857
Other Financial assets	11	30,035	912
Other current assets	12	94,753	96,632
		<b>4,49,127</b>	<b>5,06,790</b>
<b>TOTAL</b>		<b>7,33,206</b>	<b>7,04,986</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	77,245	77,245
Other Equity	14	2,04,121	1,76,252
Advance Subscription against share warrants	15	-	-
<b>Equity attributable to owners of the company</b>		<b>2,81,366</b>	<b>2,53,497</b>
<b>Non Controlling Interest</b>		<b>(1,425)</b>	<b>(1,458)</b>
<b>Total equity</b>		<b>2,79,941</b>	<b>2,52,039</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	73,640	17,234
Non Current provisions	17	264	264
Deferred tax liabilities (Net)	18	(120)	447
		<b>73,785</b>	<b>17,945</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	1,06,515	1,66,215
Trade payables	20		
Total Outstanding Dues -Micro and small enterprises		23,893	-
Total Outstanding Dues -Other than micro & small enterprises		1,84,780	2,35,279
Other Financial liabilities	21	38,711	15,565
Other current liabilities	22	10,831	6,281
Short-term provisions	23	14,750	11,662
		<b>3,79,481</b>	<b>4,35,001</b>
<b>(4) INTER UNIT</b>		<b>(0)</b>	
<b>TOTAL</b>		<b>7,33,206</b>	<b>7,04,986</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,2019

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

 Vipul P. Shah  
 Managing Director  
 DIN:00181636

 Yogita Mundhra  
 Company Secretary & Compliance Officer  
 Membership No.: A57436

 Dr. Shiv Nath Sahai  
 Whole Time Director & Chief Financial Officer  
 DIN:00332652

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

		(Rs. In `000s)	
	Note No.	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>I. Revenue from operations</b>	24	9,00,142	7,93,999
<b>II. Other income</b>	25	4,397	4,814
<b>III. Total Revenue (I + II)</b>		<b>9,04,539</b>	<b>7,98,813</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26	2,08,062	1,94,885
Purchases of Stock-in-Trade	26	4,44,059	4,15,417
Changes in Inventories of Stock-in-Trade	27	3,744	(8,758)
Excise Duty		-	1,981
Employee benefits expense	28	34,137	29,021
Finance costs	29	10,878	9,017
Depreciation	30	6,387	7,035
Other Expenses	31	1,46,984	1,16,295
<b>Total expenses</b>		<b>8,54,251</b>	<b>7,64,894</b>
<b>V. Profit before tax (III-IV)</b>		<b>50,288</b>	<b>33,919</b>
<b>VI. Tax expense:</b>			
(1) Current tax	32	15,600	11,830
(2) Deferred tax		(609)	(329)
<b>Total Tax expense</b>		<b>14,991</b>	<b>11,501</b>
<b>VII. Profit for the year (V-VI)</b>		<b>35,297</b>	<b>22,418</b>
<b>VIII. Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		153	-
Income tax relating to above items that will not be reclassified to profit or loss		(43)	-
<b>Other comprehensive income/(loss) net of tax</b>		<b>110</b>	<b>-</b>
Attributable to:			
Owners of the Company		110	-
Non Controlling Interest		-	-
<b>IX. Total comprehensive income net of tax (VII+VIII)</b>		<b>35,408</b>	<b>22,418</b>
Attributable to:			
Owners of the Company		35,375	22,522
Non Controlling Interest		33	(104)
<b>X Earnings per equity share:</b>	33		
(1) Basic		4.58	3.36
(2) Diluted		4.58	3.36
See accompanying notes to the financial statements			

See accompanying notes to the Financial Statement  
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, 2019

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

Vipul P. Shah  
Managing Director  
DIN:00181636

Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436

Dr. Shiv Nath Sahai  
Whole Time Director & Chief Financial Officer  
DIN:00332652

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax</b>	<b>50,288</b>	<b>33,919</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation	6,387	7,035
Finance Cost	10,878	9,017
Dividend Income	(155)	(91)
Gain on fair value of financial asset	1,205	(2,156)
Interest Income	(4,160)	(4,723)
Sundry Balance written back	(82)	-
Bad Debts written off	292	92
Profit/Loss on sale of Fixed Assets	4	15
Other comprehensive income	(153)	-
	<u>14,216</u>	<u>9,188</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>64,504</b>	<b>43,107</b>
(Increase) / Decrease in Inventories	2,038	(12,720)
(Increase) / Decrease in Trade receivables	78,440	(1,38,363)
(Increase) / Decrease in Other Financial assets	(10,155)	(4,979)
(Increase) / Decrease in Other Current assets	1,879	(49,663)
(Increase) / Decrease in Other Non Current assets	23,700	(14,376)
(Decrease) / Increase in Trade payables	(26,523)	83,756
(Decrease) / Increase in Other financial liabilities	23,228	12,360
(Decrease) / Increase in Other current liabilities	4,313	2,037
	<u><b>96,919</b></u>	<u><b>(1,21,948)</b></u>
Cash Generated from Operations	1,61,423	(78,841)
Direct Taxes Paid (including TDS) Net	(12,228)	(5,074)
<b>Net Cash Flow from Operating Activities</b> -	<b>A 1,49,196</b>	<b>(83,915)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible , Intangible Assets and Capital Work in Progress	(1,17,221)	(47,522)
Dividend Income	155	91
Interest Income	4,160	4,723
<b>Net Cash used in Investing Activities</b> -	<b>B (1,12,906)</b>	<b>(42,708)</b>

		(Rs. In `000s)	
		31 <sup>st</sup> March,2019	31 <sup>st</sup> March,2018
<b>C. Cash Flow from Financing Activities:</b>			
Proceeds from Share issue / Share Application Received		-	43,800
(Decrease) / Increase in long term Borrowings (net)		56,406	13,267
(Decrease) / Increase in Short term Borrowings (net)		(59,700)	66,731
Dividend Paid		(7,287)	(5,856)
Interest Paid		(10,878)	(9,017)
<b>Net Cash from Financing Activities</b>	<b>- C</b>	<b>(21,459)</b>	<b>1,08,926</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C</b>		<b>14,830</b>	<b>(17,697)</b>
Cash and Cash Equivalents as at the end of the year:			
- Cash & Balances in Current Accounts with Banks		16,381	1,550
Less: Cash and Cash Equivalents as at the beginning of the year		1,550	19,247
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>14,830</b>	<b>(17,697)</b>

Note:

Figures in bracket denote outflow of cash.

**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,2019**

**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 & Chief Financial Officer**  
**DIN:00332652**

**Yogita Mundhra**  
**Company Secretary & Compliance Officer**  
**Membership No.: A57436**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2019**

(Rs. In `000s)

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

	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning of the reporting period	77,24,500	77,245	62,64,500	62,645
Changes in equity share capital during the year	-	-	14,60,000	14,600
<b>Balance at the end of the reporting period</b>	<b>77,24,500</b>	<b>77,245</b>	<b>77,24,500</b>	<b>77,245</b>

**b. Other Equity**

	Reserves and Surplus				Total
	Securities premium	Capital Reserve	General reserve	Retained Earnings	
<b>Balance at 01 April 2017</b>	<b>29,478</b>	<b>6,278</b>	<b>9,010</b>	<b>49,635</b>	<b>94,400</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>73,278</b>	<b>6,278</b>	<b>9,010</b>	<b>66,029</b>	<b>1,54,595</b>
Profit for the year	-	-	-	35,265	35,265
Addition / reduction during the year	-	-	-	(7,507)	(7,507)
<b>Balance at 31 March 2019</b>	<b>73,278</b>	<b>6,278</b>	<b>9,010</b>	<b>93,788</b>	<b>1,82,353</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, 2019

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 & Chief Financial Officer  
DIN:00332652

Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019****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, 2019 were considered by the Board of Directors and approved for issuance on 30<sup>th</sup> May, 2019.

**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.

**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



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

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 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.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019****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.

**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

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

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

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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 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

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

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."

**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."

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019****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.

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.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

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.



### **Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

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 Group has identified twelve months as its operating cycle.



# Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019

## 4 Property, plant and equipment

(Rs. In `000s)									
	Gross Block			Accumulated depreciation / amortisation			Net block		
	As at April 01, 2018	Additions during the year	Deletion during the year	As at March 31, 2019	As at April 01, 2018	Additions during the year	Deletion during the year	As at March 31, 2018	As at March 31, 2019
<b>A Property, plant and equipment</b>									
Factory Land	27,039	-	-	27,039	-	-	-	27,039	27,039
Factory Building	5,249	-	-	5,249	996	418	-	4,254	3,836
Plant & Machinery	35,196	1,239	-	36,435	8,123	3,982	-	27,073	24,330
Furniture & Fixtures	3,716	220	-	3,936	1,686	536	-	2,030	1,714
Motor Car/Vehicles	5,407	63	-	5,470	2,874	809	-	2,533	1,788
Office Equipment	1,243	201	61	1,383	589	298	16	654	512
Computer	822	1,424	-	2,246	510	298	-	312	1,438
Office Building	435	-	-	435	41	19	-	394	375
<b>Total A</b>	<b>79,107</b>	<b>3,147</b>	<b>61</b>	<b>82,193</b>	<b>14,819</b>	<b>6,360</b>	<b>16</b>	<b>64,289</b>	<b>61,031</b>
<b>B Capital work-in-progress</b>									
	51,733	1,13,767	-	1,65,500	-	-	-	51,733	1,65,500
<b>Total B</b>	<b>51,733</b>	<b>1,13,767</b>	<b>-</b>	<b>1,65,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,733</b>	<b>1,65,500</b>
<b>C Intangible Assets</b>									
Software	-	2,134	-	2,134	-	27	-	-	2,106
<b>Total C</b>	<b>-</b>	<b>2,134</b>	<b>-</b>	<b>2,134</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>2,106</b>
<b>D Intangible assets under development</b>									
Software development	1,826	307	2,134	-	-	-	-	1,826	-
<b>Total D</b>	<b>1,826</b>	<b>307</b>	<b>2,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,826</b>	<b>-</b>

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019

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.

### Property, plant and equipment

		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 April 01, 2017	As at March 31, 2018
<b>A</b>	<b>Property, plant and equipment</b>										
	Factory Land	27,039	-	-	27,039	-	-	-	-	27,039	27,039
	Factory Building	5,249	-	-	5,249	527	469	-	996	4,723	4,254
	Plant & Machinery	29,431	5,766	-	35,196	3,955	4,168	-	8,123	25,475	27,073
	Furniture & Fixtures	3,686	30	-	3,716	968	718	-	1,686	2,718	2,030
	Vehicles	5,407	-	-	5,407	1,706	1,168	-	2,874	3,701	2,533
	Office Equipment	784	539	79	1,243	347	287	44	589	437	654
	Computer	527	295	-	822	304	206	-	510	223	312
	Office Building	435	-	-	435	21	20.17	-	41	414	394
	<b>Total A</b>	<b>72,558</b>	<b>6,628.67</b>	<b>79</b>	<b>79,107</b>	<b>7,827.83</b>	<b>7,035</b>	<b>44</b>	<b>14,819</b>	<b>64,730</b>	<b>64,289</b>
<b>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>-</b>	<b>-</b>	<b>12,645</b>	<b>51,733</b>
<b>C</b>	<b>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>-</b>	<b>-</b>	<b>1,826</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>5</b>	<b>Non-current Investments:</b>		
	<b>(a) Investments in Equity Instruments</b>		
	Equity Shares (Quoted & carried at fair value through Profit & loss)	7,557	8,763
	<b>(b) Investments in Government Securities :</b>		
	Government Securities (Unquoted at cost)	1	1
	(Deposited with Government authorities)		
	<b>(c) Investments in Debentures:</b>		
	Debentures (at Cost)	41	41
	<b>Total</b>	<b>7,599</b>	<b>8,804</b>

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

(Rs. In `000s)				
	As at			
	31 <sup>st</sup> March,2019		31 <sup>st</sup> March,2018	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev. Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	91	1,000	385
Arvind Smart spaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	13	100	18
Arvind Fashion Ltd (200 (prev Yr Nil) Equity shares Fully paid of Rs.4 Each)	200	209	-	-
The Anup engg ltd (37 (prev Yr Nil)Equity shares Fully paid of Rs.10 Each)	37	21	-	-
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	317	2,500	304
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	95	8,400	179
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	93	895	102
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	11	1,000	17
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	91	1,250	91
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	248	500	208
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	37	346	90

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019****(Rs. In `000s)**

	<b>As at</b>			
	<b>31<sup>st</sup> March, 2019</b>		<b>31<sup>st</sup> March, 2018</b>	
	<b>Units</b>	<b>Amount in (Rs.)</b>	<b>Units</b>	<b>Amount in (Rs.)</b>
Navin Flourine International Ltd.(1730 (Prev.Yr. 1730 ) Equity shares Fully paid of Rs.2 Each)	1,730	1,230	1,730	1,334
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	2,943	20,000	3,827
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	343	500	306
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	108	3,000	258
Petronet LNG Ltd.(6000 (Prev.Yr. 6000) Equity shares Fully paid of Rs.10 Each)	6,000	1,503	6,000	1,388
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	152	9,900	204
Bank of Baroda Ltd.( 402 Equity shares fully Paid Rs. 2/- ,Prev year 1000 shares Vijaya bank Fully paid of Rs.10 Each)	402	52	1,000	52
		<b>7,557</b>		<b>8,763</b>

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

	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>6 Other Non Current Assets</b>		
<b>(Unsecured and considered good)</b>		
Capital Advances-Related (Refer note 37)	20,475	20,475
Capital Advances-Others	14,052	10,511
Deposits with Government Authorities and Others (Refer note 37 & 44)	13,317	40,558
Loans and advances to related parties		
- Subsidiaries (Refer Note 37)	0	-
<b>Total</b>	<b>47,843</b>	<b>71,544</b>

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

	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>7 Inventories</b>		
(At cost or net realisable value whichever is lower)		
(a) Raw materials	27,266	25,559
(b) Finished goods	60,245	63,989
<b>Total</b>	<b>87,510</b>	<b>89,548</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>8</b>	<b>Trade receivables (Unsecured)</b>		
	Considered Good		
	Overdue Trade Receivables	10,193	6,458
	Trade Receivables	1,97,366.70	2,79,834
	<b>Total</b>	<b>2,07,560</b>	<b>2,86,292</b>
The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are non-interest bearing.			
<b>9</b>	<b>Cash and Cash equivalents:</b>		
	Balances with Scheduled Bank:		
	In Current Account	14,479	948
	In EEFC Account	1,203	0
	Cash in Hand	699	602
	<b>Total</b>	<b>16,381</b>	<b>1,550</b>
<b>10</b>	<b>Other bank balances</b>		
	<b>Earmarked Balance</b>		
	Unpaid Dividend Account	1,471	1,368
	In Fixed deposit	11,416	30,488
	<b>Total</b>	<b>12,888</b>	<b>31,857</b>
<b>11</b>	<b>Other Financial assets</b>		
	Deposit to Related parties (refer Note no 38)	30,000	-
	Accrued Interest	35	912
	<b>Total</b>	<b>30,035</b>	<b>912</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>12 Other current assets:</b>		
(Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 38)	13,932	12,444
Loans and advances to Employees	428	415
Prepaid Expenses	903	978
Balance with Government Authorities		
Excise	-	1,598
GST	47,896	55,404
MVAT Refund	3,181	5,508
Service Tax	552	758
Advances recoverable in cash or kind or for value to be received		
Export Incentive	18,598.139	11,264
Advance to Suppliers	9,174	8,176
Others	89	87
<b>Total</b>	<b>94,753</b>	<b>96,632</b>

**13 Equity Share capital:** **(Rs. In `000s)**  
(Except no. of shares)
**a) Equity Share capital**

	<b>31<sup>st</sup> March, 2019</b>		<b>31<sup>st</sup> March, 2018</b>	
	<b>No of shares</b>	<b>Amount</b>	<b>No of shares</b>	<b>Amount</b>
<b>Authorised Share Capital:</b>				
Equity shares of Rs.10 each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
<b>Issued, Subscribed and Fully Paid-up Shares:</b>				
Equity shares of Rs.10 each fully paid up	77,24,500	77,245	77,24,500	77,245

**b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.**

	<b>31<sup>st</sup> March, 2019</b>		<b>31<sup>st</sup> March, 2018</b>	
	<b>No of shares</b>	<b>Amount</b>	<b>No of shares</b>	<b>Amount</b>
Outstanding at beginning of the year	77,24,500	77,245	62,64,500	62,645
Issued During the Year **	-	-	14,60,000	14,600
<b>Balance as at End of Year</b>	<b>77,24,500</b>	<b>77,245</b>	<b>77,24,500</b>	<b>77,245</b>

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

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019

### 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 recommended 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, 2019, the amount of per share dividend recognised as Rs 0.80 (March 31, 2018 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.

### d) List of shareholders who holds more than 5% of equity shares in the company:

Name of the shareholders	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No of shares	% of Holding	No of shares	%
Vipul P. Shah	9,26,100	11.99%	9,26,100	11.99%
Mihir V. Shah	11,60,600	15.02%	11,60,600	15.02%
Vatsal V. Shah	9,33,150	12.08%	6,86,050	8.88%
Mita V. Shah	4,39,500	5.69%	4,39,500	5.69%
Jaya P. Shah	4,50,000	5.83%	4,50,000	5.83%
	<b>39,09,350</b>	<b>50.61%</b>	<b>36,62,250</b>	<b>47.42%</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

	(Rs. In `000s)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>14 Other Equity</b>		
Capital Reserve	6,278	6,278
Securities Premium	96,978	96,978
General Reserve	9,010	9,010
Consolidation Reserve	48	48
Retained Earnings	91,697	63,938
Other reserves-Accumulated other comprehensive income	110	-
<b>Total</b>	<b>2,04,121</b>	<b>1,76,252</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>Reserves and surplus:</b>		
<b>14.1 Capital Reserve</b>		
Balance at beginning of year	6,278	6,278
<b>Balance at end of year</b>	<b>6,278</b>	<b>6,278</b>
<b>14.2 Securities Premium Account:</b>		
Balance at beginning of year	96,978	53,178
Add /Less: Premiun on Issue Of Equity Shares	-	43,800
<b>Balance at end of year</b>	<b>96,978</b>	<b>96,978</b>
<b>14.3 Consolidation Reserve</b>		
Balance at beginning of year	48	48
<b>Balance at end of year</b>	<b>48</b>	<b>48</b>
<b>14.4 General Reserve</b>		
Balance at beginning of year	9,010	9,010
<b>Balance at end of year</b>	<b>9,010</b>	<b>9,010</b>
<b>14.5 Retained Earnings</b>		
Balance at beginning of year	63,938	47,544
Add: Profit after Tax for the year	35,265	22,522
Less: Appropriations:		
Tax Adjustments & Others	(69)	(95)
Dividend - Final	(6,180)	(5,012)
Corporate Dividend Tax thereon	(1,258)	(1,020)
- Remeasurement of defined benefit obligation net of taxation		
<b>Balance at end of year</b>	<b>91,697</b>	<b>63,938</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	6,180
Dividend distribution tax on proposed dividend	1,270	1,258
<b>14.6 Other reserves-Accumulated other comprehensive income</b>		
Balance at beginning of year	-	-
Other comprehensive income	110	-
<b>Balance at end of year</b>	<b>110</b>	<b>-</b>



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

	(Rs. In `000s)	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>15 Advance Subscription against share warrants</b>		
Preferential Share Warrant		
Nil (Previous year 14,60,000) Preferential Share warrant paid up Rs. 10 each	-	14,600
Less : Nil (Previous Year 14,60,000) Preferential Share Warrant converted into Equity Shares	-	14,600
	<u>-</u>	<u>-</u>

The Holding Company had allotted 12,50,000 warrants to promoters & 10,00,000 warrants to non-promoter on 6<sup>th</sup> 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, 2019	31 <sup>st</sup> March, 2018
<b>16 Long term borrowings:</b>		
<b>Secured Loans</b>		
<b>Term Loan from Bank</b>		
Loan from Bank Against Vehicles	-	-
Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore	73,640	17,234
(refer note 21 -Current Maturity of long term Loan)		
<b>Total</b>	<u><b>73,640</b></u>	<u><b>17,234</b></u>

**Term Loans from Banks-Against Vehicles**

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 5<sup>th</sup> February ,2019 and carry interest rate of 10.01 % p.a.

**Term Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore for year ended 31.3.2019**

Rs. 86852('000) (Previous Year Rs.Nil ('000)) secured by hypothecation of movable fixed assets and Factory Building at Tarapore wherein in Term loan sanctioned for Rs 750 Lakhs principal payable in equal monthly installment of Rs. 9.62 Lakhs over period of 78 months after initial moratorium period of 6 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 9.85 % p.a & 6.65% on Foreign Currency Term Loan (6 months Libor + 4.14 %). Second Charge on Current assets by way of Hypothecation on Stock and Book debts present and future on pari-passu basis with Vijaya Bank. Along with personal guarantee of Mr. Vipul Shah & Mr. Mihir Shah.

**Term Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore for year 31.3.2018**

Rs. Nil('000) (Previous Year Rs.20938 ('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. which was taken over by Axis Bank.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

		(Rs. In `000s)	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>17 Non Current Provision</b>			
Provision for Gratuity		264	264
<b>Total</b>		<b>264</b>	<b>264</b>
<b>18 Deferred Tax Liabilities</b>			
<b>Major components of deferred tax are:</b>			
Related to Property ,Plant & Equipment		1,156	1,648
Business Loss		(1,215)	(1,201)
Others		(61)	-
<b>Net Deferred Tax Liability</b>		<b>(120)</b>	<b>447</b>
<b>19 Short-term borrowings:</b>			
<b>Loans repayable on demand</b>			
From banks			
Secured		1,06,515	1,66,215
<b>Total</b>		<b>1,06,515</b>	<b>1,66,215</b>

**From Vijaya bank**

The working capital facilities from Banks are secured by way of Hypothication of Stock and Book Debts, ranking parri passu . 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.

**From Axis Bank**

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

- i) Factory Land & building & Movable Fixed assets at Plot no T-1115 ,Tarapur Industrial Area,Village Pamtembhi,Taluka Palghar,Thane.
- ii) Also covered in personal guarantee of Vipul Shah & Mihir Shah .

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>20 Trade payables</b>		
Total Outstanding Dues -Micro and small enterprises	<b>23,893</b>	-
Total Outstanding Dues -Other than micro & small enterprises **	<b>1,75,620</b>	2,28,863
Acceptances	<b>9,160</b>	6,416
<b>Total</b>	<b>2,08,673</b>	<b>2,35,279</b>

**According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :**

i) Principal amount remaining unpaid	<b>23,893</b>	**
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	**
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year ) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	**
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	<b>138</b>	**
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	<b>138</b>	**

\*\* For the previous year 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 had not received any claims for interest from any of the suppliers in the previous year.

	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>21 Other Financial Liabilities:</b>		
Creditors for Fixed Assets & Provision for Expenses	20,599	8,798
Current Maturity of long term	13,213	4,714
Unclaimed Dividend	1,471	1,400
Financial liability on account of derivatives	1,878	453
Deposit from Dealers	1,550	200
<b>Total</b>	<b>38,711</b>	<b>15,565</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

(Rs. In `000s)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>22 Other current liabilities:</b>		
Advance from Customers	7,574	2,967
Duties & taxes	3,257	3,314
<b>Total</b>	<b>10,831</b>	<b>6,281</b>
<b>23 Short-term provisions:</b>		
Provision for Tax	14,750	11,662
<b>Total</b>	<b>14,750</b>	<b>11,662</b>
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>24 Revenue from operations</b>		
Export sales	7,19,490	6,77,365
Local sales (Including Excise Duty)	1,56,567	94,927
Export incentives	24,085	21,652
Processing Charges	-	54
<b>(Dyestuff , Organic Pigments and Intermediates)</b>		
<b>Total</b>	<b>9,00,142</b>	<b>7,93,999</b>
<b>25 Other income:</b>		
Interest on Deposit with Banks & Others	1,366	1,966
Interest on Security Deposit-IND AS	2,794	2,757
Dividend on Investments	155	91
Misc. Income /Sundry Balance written back	82	-
<b>Total</b>	<b>4,397</b>	<b>4,814</b>
<b>26 a) Cost of materials consumed</b>		
<b>(Chemicals &amp; Others)</b>		
Opening Stock	25,559	21,597
Add: Purchases	2,09,769	1,98,847
Less: Closing Stock	27,266	25,559
<b>Total</b>	<b>2,08,062</b>	<b>1,94,885</b>
<b>b) Purchases of Stock-in-Trade</b>		
Dyestuff , Organic Pigments and Intermediates	4,44,059	4,15,417
<b>Total</b>	<b>4,44,059</b>	<b>4,15,417</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019****(Rs. In `000s)**

	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>27 Changes in Inventories of Stock-in-Trade</b>		
Inventories at the end of the year		
Dyestuff , Organic Pigments and Intermediates	60,245	63,989
Sub-total (A)	60,245	63,989
Inventories at the beginning of the year		
Dyestuff , Organic Pigments and Intermediates	63,989	55,231
Sub-Total (B)	63,989	55,231
<b>(A) -(B)</b>	<b>3,744</b>	<b>(8,758)</b>
<b>28 Employee benefits expense:</b>		
Salaries, Wages, Bonus and Gratuity	33,246	28,351
Employees' Welfare Expenses	890	670
<b>Total</b>	<b>34,137</b>	<b>29,021</b>
<b>29 Finance costs:</b>		
Bank Interest	9,395	8,574
Bank Charges-Processing Fees	1,435	293
Other Interest	48	150
<b>Total</b>	<b>10,878</b>	<b>9,017</b>
<b>30 Depreciation</b>		
Depreciation Expenses(Refer note no 4)	6,387	7,035
<b>Total</b>	<b>6,387</b>	<b>7,035</b>
<b>31 Other Expenses</b>		
Power and Fuel	20,325	19,315
Factory Rent	7,552	7,347
Factory Expenses	5,193	4,710
Labour & Transport	23,925	19,925
Repairs & Maintenance	6,734	8,322
Packing Material	8,775	7,436
Export Clearing ,Freight & Forwarding	12,477	12,209
Professional & Legal Charges	9,994	10,356
Travelling Expenses	6,315	7,236
Insurance Charges	3,986	3,989
Rent ,Rates & Electricity	4,268	3,211

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Donation	1,288	423
Auditors Remuneration (Refer note no 35)	514	543
Exchange Gain /Loss	4,079	(6,514)
Commission	4,939	4,468
Fair Value Loss/(Gain) on Financial Assets	1,205	(2,156)
Loss on sales of assets	4	15
Miscellaneous/ Office Expenses	16,045	12,049
Bad Debts	292	92
Business Promotion	9,075	3,321
<b>Total</b>	<b>1,46,984</b>	<b>1,16,295</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	50,288	33,919
Weighted average enacted tax rates in India	27.82%	33.06%
Computed tax expense	13,990	11,214

**Tax effect of:**

Deduction under Chapter VI A	179	(70)
Exemption of profit link incentives	(412)	(613)
Other exempt income	(43)	(30)
Others-Interest	941	1,001
Fair Value Gain on Financial Assets	335	-
<b>Actual Tax Expense</b>	<b>14,991</b>	<b>11,501</b>
<b>Current Tax</b>	15,600	11,830
<b>Deferred tax</b>	(609)	(329)
<b>Tax expense reported in the statement of profit and loss</b>	<b>14,991</b>	<b>11,501</b>

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

		<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>33 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.	35,375	22,522
Weighted Average number of shares outstanding during the year - (B)	Nos.	77,24,500	66,99,240
<b>Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)</b>	<b>Rs.</b>	<b>4.58</b>	<b>3.36</b>
		<b>(Rs. In `000s)</b>	
		<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>34 Contingent liabilities and Commitments:</b>			
(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 Holding Company.		250	250
“(c.) Sales Tax demands disputed by the Company 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 company 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.		1000	2000
		<b>1000</b>	<b>2000</b>
<b>35 Payments to Auditors for the year</b>			
Auditors' Remuneration & Expenses			
(a) As Auditors		424	413
(b) Certification and Other Taxation matters		90	130
<b>Total</b>		<b>514</b>	<b>543</b>

- 36** 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 Company's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

(Rs. In `000s)

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

Derivative Outstanding as at the Reporting date

	As on 31 <sup>st</sup> March, 2019		As on 31 <sup>st</sup> March, 2018	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	1,300	91,447	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 31 <sup>st</sup> March, 2019		As on 31 <sup>st</sup> March, 2018	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Trade receivable	1,009	70,067	2,086	1,35,504
Trade payables & borrowings	1,052	73,000	408	26,538

**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. Prasannakumar Gawde  
 Mr. Jagdeep Mehta  
 Mrs. Trupti Shah (Resigned w.e.f. 14.11.2018)  
 Mrs. Megha Satyendra Bhatti (Appointed w.e.f. 14.11.2018)  
 Mr. R L Rathod

**b) Relatives of KMP**

Mrs. Jaya P. Shah  
 V. P. Shah HUF  
 Mrs. Mita V Shah  
 Mr. Mihir V Shah  
 Mr. Vatsal V Shah



**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**
**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  
 Standardcon Pvt.Ltd.

**II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2019**
**(Rs. In `000s)**

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	<b>2018-2019</b>	-	<b>432</b>	<b>63,573</b>
	2017-2018	-	300	45,159
Sale/Services/Interest	<b>2018-2019</b>	-	-	<b>13,438</b>
	2017-2018	-	-	10,478
Share/Warrant Subscription received	<b>2018-2019</b>	-	-	-
	2017-2018	3,000	12,000	-
Mangerial Remuneration /Salary/Sitting Fees	<b>2018-2019</b>	<b>7,043</b>	<b>3,258</b>	-
	2017-2018	6,272	2,180	-
Balance Receivable/(Payable)	<b>31/03/2019</b>	<b>(242)</b>	<b>20,246</b>	<b>53,153</b>
	31/03/2018	(38)	20,401	43,301

**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.

A	As at March 31, 2018	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	<b>Financial assets</b>					
	Non-current Investments	8,804	42	8,763	-	-
	Trade Receivables	2,86,292	2,86,292	-	-	-
	Cash and cash equivalents	1,550	1,550	-	-	-
	Other bank balances	31,857	31,857	-	-	-
	Other Financial Assets	912	912	-	-	-
	<b>Total</b>	<b>3,29,415</b>	<b>3,20,652</b>	<b>8,763</b>	-	-

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

A	As at March 31, 2018	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	<b>Financial liabilities</b>					
	Other non-current financial liability	17,234	17,234	-	-	-
	Trade and other payables	2,35,279	2,35,279	-	-	-
	Other current financial liabilities	1,81,780	1,81,326	-	453	-
	<b>Total</b>	<b>4,34,293</b>	<b>4,33,839</b>	<b>-</b>	<b>453</b>	<b>-</b>

(Rs. In `000s)

B	As at March 31, 2019	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	<b>Financial assets</b>					
	Non-current Investments	7,599	42	7,557	-	-
	Trade Receivables	2,07,560	2,07,560	-	-	-
	Cash and cash equivalents	16,381	16,381	-	-	-
	Other bank balances	12,888	12,888	-	-	-
	Other Financial Assets	30,035	30,035	-	-	-
	<b>Total</b>	<b>2,74,463</b>	<b>2,66,905</b>	<b>7,557</b>	<b>-</b>	<b>-</b>
	<b>Financial liabilities</b>					
	Other non-current financial liability	73,640	73,640	-	-	-
	Trade and other payables	2,08,673	2,08,673	-	-	-
	Other current financial liabilities	1,45,226	1,43,348	-	1,878	-
	<b>Total</b>	<b>4,27,539</b>	<b>4,25,661</b>	<b>-</b>	<b>1,878</b>	<b>-</b>

During the reporting period ending 31 March 2019 and 31 March 2018, 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 Group has exposure to the following risks arising from financial instruments:

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

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors 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 the Group's 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)

	31st March, 2019	31st March, 2018
<b>Considered Good</b>		
<b>0-12 Months</b>	1,97,367	2,79,834
<b>More Than 1 year</b>	10,193	6,458
<b>Carrying Amount of receivable</b>	<b>2,07,560</b>	<b>2,86,292</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 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.

#### 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.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**
**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.

Financial Liabilities	(Rs. In `000s)		
	As at 31 <sup>st</sup> March, 2018		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	17,234	17,234
Trade and other payables	2,35,279	-	2,35,279
Other current financial liabilities	1,81,780	-	1,81,780
<b>Total Financial Liabilities</b>	<b>4,17,058</b>	<b>17,234</b>	<b>4,34,293</b>

Financial Liabilities	As at 31 <sup>st</sup> March, 2019		
	Less than 1 year	More than 1 year	Total
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	73,640	73,640
Trade and other payables	2,08,673	-	2,08,673
Other current financial liabilities	1,45,226	-	1,45,226
<b>Total Financial Liabilities</b>	<b>3,53,899</b>	<b>73,640</b>	<b>4,27,539</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.

**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.

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**

<b>Foreign currency exposure</b>	<b>Currency</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Trade receivables & Advance	USD in '000	2,309	3,904
<b>Net exposure to foreign currency risk (assets)</b>		<b>2,309</b>	<b>3,904</b>
Trade payables	USD in '000	108	234
Current Borrowings	USD in '000	387	175
Other financial liabilities	USD in '000	53	44
<b>Net exposure to foreign currency risk (liabilities)</b>	USD in '000	<b>549</b>	<b>453</b>
<b>Rupee Conversion Rate</b>		69.41	64.97

**Foreign currency sensitivity**

The Group is exposed to the currencies as mentioned above. The following table details the Group'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.

<b>Foreign currency</b>	<b>31<sup>st</sup> March, 2019</b>		<b>31<sup>st</sup> March, 2018</b>	
	<b>5% Weakening</b>	<b>5% Strengthening</b>	<b>5% Weakening</b>	<b>5% Strengthening</b>
USD	6,111	(6,111)	11,211	(11,211)
<b>Increase / (decrease) in profit and loss</b>	<b>6,111</b>	<b>(6,111)</b>	<b>11,211</b>	<b>(11,211)</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's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing borrowings is as follows:

	<b>(Rs. In `000s)</b>	
	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>Current Borrowings</b>		
Variable rate borrowings	1,19,727	1,70,929
	<b>1,19,727</b>	<b>1,70,929</b>

## Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019

### 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, 2019		31 <sup>st</sup> March, 2018	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(599)	599	(855)	855
Increase / (decrease) in profit and loss	(599)	599	(855)	855

### 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's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group 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.

(Rs. In `000s)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Borrowings (long-term and short-term borrowings including current maturities)	1,93,367	1,88,163
Cash & Cash Equivalent including Other current financial asset	59,304	34,319
<b>Adjusted net debt</b>	<b>1,34,063</b>	<b>1,53,844</b>
<b>Total Equity</b>	<b>2,81,366</b>	<b>2,53,497</b>
Adjusted net debt to equity ratio	0.48	0.61

### 42 Business Combinations

#### i) Subsidiaries

The Group's subsidiaries as at March 31, 2019 and March 31, 2018 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.

	Principal activities	% of ownership Interest as on	
Indian Subsidiary-Shri Ambika Naturals Private Ltd		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Ownership interest held by the group	Manufacturing of Dyes stuff & Organic Intermediates.	56.04	56.04
“Proportion of ownership of Interest by non-controlling interests”		43.96	43.96

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**
**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.

(Rs. In `000s)

<b>Summarised Balance sheet</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>Shri Ambika Naturals Private Ltd</b>		
Current assets	8,677	6,849
Current liabilities	4,214	2,389
<b>Net current assets</b>	<b>4,463</b>	<b>4,460</b>
Non Current assets	2,151	2,107
Non Current liabilities	(1,082)	(1,055)
<b>Net non-current assets</b>	<b>3,233</b>	<b>3,162</b>
<b>Net assets</b>	<b>1,231</b>	<b>1,298</b>
<b>Accumulated NCI</b>	<b>(1,425)</b>	<b>(1,458)</b>

<b>Summarised Statement of Profit &amp; Loss</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>Shri Ambika Naturals Private Ltd</b>		
Revenue	6,539	8,163
Profit for the year	74	(237)
Other comprehensive income	-	-
<b>Total Comprehensive income</b>	<b>74</b>	<b>(237)</b>
<b>Profit allocated to NCI</b>	<b>-</b>	<b>(104)</b>

<b>Summarised cash flows</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
<b>Shri Ambika Naturals Private Ltd</b>		
Cash flows from operating activities	425	13
Cash flows from investing activities	(302)	-
Cash flows from financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>123</b>	<b>13</b>

**iii) Transactions with non- controlling interests**

There are no transaction with non controlling interest in FY 2018-19 and FY 2017-18

**Notes to the Consolidated financial statements for the Year Ended 31<sup>st</sup> March, 2019**
**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	Year	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	<b>2018-19</b>	97.26%	2,73,670	99.79%	35,334
	2017-18	96.26%	2,42,626	101.06%	22,655
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	<b>2018-19</b>	2.74%	7,696	0.21%	74
	2017-18	3.74%	9,414	-1.06%	(237)
Total	<b>2018-19</b>	100.00%	2,81,366	100.00%	35,408
	2017-18	100.00%	2,52,040	100.00%	22,418

**44** 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 Holding 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.

**45** 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.

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

**As per our Report of even date  
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, 2019**

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

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

**Yogita Mundhra  
Company Secretary & Compliance Officer  
Membership No.: A57436**

**Dr. Shiv Nath Sahai  
Whole Time Director & Chief Financial Officer  
DIN:00332652**



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**VIPUL ORGANICS LIMITED**

CIN: L24110MH1972PLC015857

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

Email Id: companysecretary@vipulorganics.com; Telephone no.: 022-66139999; Fax no.: 022-66139977/75

**ATTENDANCE SLIP****47<sup>TH</sup> ANNUAL GENERAL MEETING - MONDAY, 30<sup>TH</sup> SEPTEMBER, 2019**

(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 47<sup>th</sup> Annual General Meeting of the Company at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400058, on Monday, 30<sup>th</sup> September, 2019 at 3.15 P.M.

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**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**

<b>Electronic Voting Event Number (EVEN)</b>	<b>USER ID</b>	<b>PASSWORD</b>

**Note:** Please read the instructions for e-voting given along with the Annual Report. The voting period begins on Friday, 27<sup>th</sup> September, 2019 at 09.00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 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:

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

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 47<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 3.15 P.M. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400058, and any adjournment(s) thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	Vote (Optional see Note 2) (Please mention number of shares)		
Ordinary Business		For	Against	Abstain
1.	Ordinary Resolutions for adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 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, 2019.			
3.	Ordinary Resolution for appointment of Director in place of Dr. Shiv Nath Sahai (DIN: 00332652), who retires by rotation and being eligible, offers himself for re-appointment.			
<b>Special Business:</b>				
4.	Ordinary Resolution for appointment of Mrs. Megha S.Bhati (DIN: 08278063), as an Independent Director of the Company.			
5.	Special Resolution for re-appointment of Mr. Vipul P. Shah (DIN: 00181636), Managing Director of the Company w.e.f. 15 <sup>th</sup> June, 2019 to 14 <sup>th</sup> June, 2022.			
6.	Special Resolution for re-appointment of Dr. Shiv Nath Sahai (DIN: 00332652) as Whole Time Director of the Company for the period from 1 <sup>st</sup> October, 2019 to 31 <sup>st</sup> March, 2020.			
7.	Ordinary resolution under Section 181 of the Companies Act, 2013 for increase in limit of donation.			
8.	Special Resolution for approving VOL ESOP Plan, 2019			

Signed this..... day of.....2019

Affix  
revenue  
stamp

\_\_\_\_\_  
Signature of Shareholder

**Notes:**

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

**VIPUL ORGANICS LIMITED**

CIN: L24110MH1972PLC015857

Registered Office: 102, Andheri Industrial Estate, Off. Veera Desai Road,  
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Email Id: companysecretary@vipulorganics.com; Telephone no.: 022-66139999; Fax no.: 022-66139977/75

**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:

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

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

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

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

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**Signature of the Member**

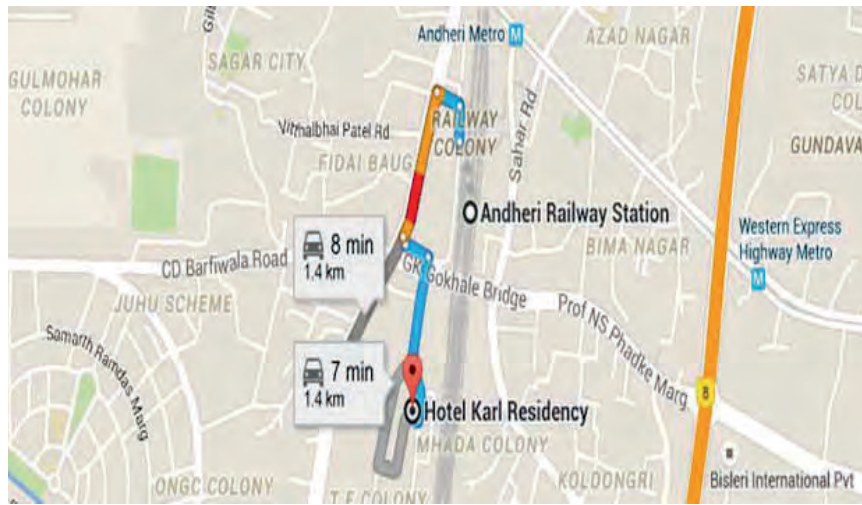
Kindly submit the above details duly filled in and signed at the appropriate place to the Register & Share Transfer Agents of the Company viz. **BIGSHARE SERVICES PVT. LTD. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059.**

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

Thanking you,

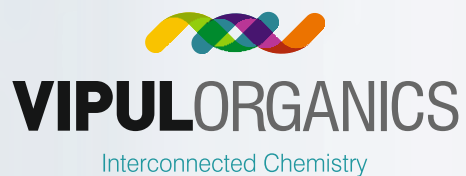
For **VIPUL ORGANICS LIMITED**  
**Yogita Mundhra**  
**Company Secretary & Compliance Officer**

### AGM VENUE ROUTE MAP









**Vipul Organics Ltd.**

102, Andheri Industrial Estate,  
Off Veera Desai Road,  
Andheri (W), Mumbai 400053,  
Maharashtra, India

+91 22 6613 9999  
+91 22 6613 9977 / 75  
info@vipulorganics.com  
www.vipulorganics.com