

8th September, 2020

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

Dear Sir/Madam,

Sub: Submission of copy of the Annual Report 2019-20 along with the Notice of 48th 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 48th Annual General Meeting along with the copy of Annual Report for the financial year 2019-20.

The 48th Annual General Meeting of the Company will be held on Wednesday, 30th September, 2020 at 09:30 am IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without physical presence of the Members at a common venue in terms of various circulars issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India.

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 and on the website of CDSL i.e. at www.evotingindia.com.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Vipul Organics Limited



VIPUL ORGANICS

Interconnected Chemistry

Yogita W

Yogita Mundhra
Company Secretary & Compliance Officer
Membership No: A57436



Encl.: As above

Scaling Newer Heights with



Annual Report
2019-2020

BOARD OF DIRECTORS

Mr. Vipul P. Shah	(Managing Director)
Mr. Mihir V. Shah	(Whole-Time Director w.e.f. 1st April, 2020)
Dr. Shiv Nath Sahai	(Non-Executive Director w.e.f. 1st April, 2020)(Whole Time Director & CFO upto 31st March, 2020)
Mr. Jagdeep Y. Mehta	(Independent Director)
Mr. Prasannakumar B. Gawde	(Independent Director)
Mrs. Megha S. Bhati	(Independent Director)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Yogita Mundhra

AUDITORS

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

BANKERS

Bank of Baroda, Andheri West Branch, Mumbai
Axis Bank, Malad East, Upper Govind Nagar 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

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NOTICE

Notice is hereby given that the 48th Annual General Meeting of the members of **VIPUL ORGANICS LIMITED** (CIN: L24110MH1972PLC015857) will be held on Wednesday, 30th September, 2020 at 9:30 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without physical presence of the Members at a common venue, in accordance with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020 issued by Ministry of Corporate Affairs ('MCA Circulars') and SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, to transact the business as set out in this notice. The proceedings of the 48th AGM shall be deemed to be conducted at the Registered Office of the Company situated at 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai-400053, Maharashtra, which shall be the deemed Venue of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Board of Directors' and Auditors' thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2020 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 31st March, 2020 and the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted."

(b) "**RESOLVED THAT** the Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Auditors' Report thereon be and are hereby received, considered and adopted."

2. To declare dividend on Equity Shares for the financial year ended on 31st March, 2020 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 95,49,500 Equity Shares of Rs. 10/- each of the Company for the year ended 31st March, 2020, 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/ List of Beneficiaries as on Wednesday, 23rd September, 2020 and that the dividend warrants be posted or direct credit through NECS be given within 30 days hereof only to those shareholders who are entitled to receive the payment of dividend."

3. To appoint a director in place of Mr. Vipul P. Shah (DIN: 00181636), who retires by rotation and being eligible, offered 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, Mr. Vipul P. Shah (DIN: 00181636), Director of the Company, who retires by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

SPECIAL BUSINESS:

4. To appoint Mr. Mihir V. Shah (DIN: 05126125) as a Director of the Company and in this regard, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** Mr. Mihir V. Shah (DIN: 05126125), who was appointed as an Additional Director of the Company w.e.f. 1st April, 2020 pursuant to the provisions of the Articles of Association of the Company and in accordance with the provisions of Section 161 of Companies Act, 2013, holds office as such upto date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

5. To approve the appointment of Mr. Mihir V. Shah (DIN: 05126125) as Whole Time Director and in this regard, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the appointment of Mr. Mihir V. Shah (DIN: 05126125) as Whole-Time Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2020 to 31st March, 2025 be and is hereby approved on the following terms and conditions:

- (a) Salary: Rs. 2,50,000/- (Rupees Two Lakh and Fifty Thousand only) per month which includes-
 - (i) Basic- Rs. 1,25,000/-
 - (ii) HRA- Rs. 62,500/-
 - (ii) Conveyance- 62,500/-
- (b) Perquisites: The Whole-Time Director shall be entitled for the perquisites in accordance with the Company’s policies, practices and procedures over and above the salary; and
- (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 pursuant to the provisions of Sections 197, 198, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the revision in remuneration payable to Mr. Mihir V. Shah, Whole Time Director of the Company w.e.f. 1st April, 2020 for remaining period of his tenure, be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms on recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force, as follows:

- (a) Salary: Rs. 4,05,000/- (Rupees Four Lakh Five Thousand only) per month which includes-
 - (i) Basic- Rs. 2,02,500/-
 - (ii) HRA- Rs. 1,01,250/-
 - (iii) Conveyance- Rs. 1,01,250/-
- (b) Perquisites: The Whole-Time Director shall be entitled for the perquisites in accordance with the Company’s policies, practices and procedures over and above the salary; and
- (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 service of Mr. Mihir V. Shah as Whole-Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

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

6. To approve the continuation of Directorship of Dr. Shiv Nath Sahai (DIN: 00332652) as Non-Executive Director of the Company and in this regard, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members of the Company be and is hereby accorded to the

continuation of directorship of Dr. Shiv Nath Sahai (DIN: 00332652), as 'Non-Executive Director of the Company, beyond the age of seventy five years, 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, matters, deeds and things as may be required to give effect to the above resolution."

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

Place: Mumbai
Date: 21st August, 2020

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

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

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies can be conducted through video conferencing (VC) or other audio visual means (OAVM) as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and SEBI Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. Thus, the forthcoming 48th AGM of the Company will be held through video conferencing (VC) or other audio visual means (OAVM) and not through physical presence of members at a common venue. The Members can attend and participate in the ensuing 48th AGM through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 48th AGM will be held pursuant to the said MCA and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this 48th AGM; hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting facilities.
3. 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.
4. Brief resume of directors recommended to be appointed / re-appointed at the ensuing 48th 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.
5. Institutional/ Corporate members intending to represent through their authorised representatives in the AGM through VC/OAVM and to vote through remote e-voting or evoting at the AGM are requested to send to the Company a certified copy of the board resolution authorising their representative to the designated e-mail address of the Company i.e. companysecretary@vipulorganics.com and to CDSL i.e. helpdesk.evoting@cdslindia.com.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. The Register of Directors' and Key Managerial Personnel's and their Shareholdings, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which directors are interested, maintained under

Section 189 of the Companies Act, 2013 and all documents referred to in the notice of 48th AGM, will be available for inspection online by the Members on request by sending an e-mail to companysecretary@vipulorganics.com.

8. 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 Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing 48th Annual General Meeting.
9. The dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2020, if approved by the members at the ensuing 48th Annual General Meeting, will be paid to those members whose names appear in the Register of Members as on Wednesday, 23rd September, 2020; and in respect of shares held by them in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. In case the Company is unable to pay the dividend to any member by the electronic mode due to non-availability of the details of the bank accounts, the Company shall dispatch the dividend warrant/demand draft upon restoration of normalcy of postal services.
10. Members may note that the Income Tax Act, 1961, the ("IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after 1st April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act:

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / Invalid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him during Financial Year 2020-21 does not exceed Rs. 5,000 and also in cases where members have provided Form 15G / Form 15H (applicable to individuals aged 60 years or more), subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as may be notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be submitted by sending email at companysecretary@vipulorganics.com upto 23rd September, 2020.

11. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 read with SEBI press release PR No.: 51/2018 dated 3rd December, 2018, effective from 1st April, 2019, Company's shares can be transferred in dematerialized form only, except in cases of transmission and transposition. 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.
12. SEBI Listing Regulations in terms of Schedule I mandates to all listed companies to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders. Accordingly, members who have not updated their bank account details and wish to avail such facilities in future are requested to update their bank account details by furnishing requisite documents with the RTA of the Company in case of shares held in physical mode and with your respective depository participants, with whom you have demat account.
13. The cut off date for the purpose of final dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the 48th AGM has been fixed as Wednesday, 23rd September, 2020.
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 quoting their Folio Number.
15. The Company has transferred the unpaid or unclaimed dividend declared upto the financial year 2011-2012 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The unclaimed dividend in respect of the financial year ended on 31st March, 2013 is due for transfer to the IEPF in month of November, 2020. The shareholders whose dividend remained unclaimed for the financial year 2012-13 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 31st March, 2020 under "Investor Relations" section on the website of the Company www.vipulorganics.com. The said details have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: www.mca.gov.in and on the website of IEPF viz. www.iepf.gov.in.

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF 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 2011-12 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 and on the website of IEPF viz. 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 2012-13 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

16. Members can join the 48th AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
18. 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.
19. 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.
20. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the 48th AGM along with the Annual Report 2019-20 and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice, Annual Report 2019-20 and instructions for remote e-voting and evoting during the AGM will also be available on the Company's website www.vipulorganics.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL www.evotingindia.com.
21. 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.
22. 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.
23. Members are requested to forward all Share Transfers and other communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
24. Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
25. 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.
26. 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.
27. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide e-voting facility to its members to exercise their right to vote electronically on the resolutions mentioned in the notice of 48th Annual General Meeting (AGM) dated 21st August, 2020. The members may cast their votes using electronic voting system from a place other than the venue of the meeting ("remote e-voting").

- (a) The facility of casting the votes by the members/ shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-voting") and for evoting during the meeting will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
- (b) A person, whose name is recorded in the Register of Members or in the List of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of "remote e-voting" or e-voting during the AGM.
- (c) The "remote e-voting" period commences on (Sunday) 27th September 2020 (9:00 a.m.) and ends on (Tuesday) 29th September 2020 (5:00 p.m.). During this period, members/shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd September 2020 (Wednesday), may cast their vote by "remote e-voting". The "remote e-voting" module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (d) The voting rights of members/shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., Wednesday, 23rd September 2020.

Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Wednesday, 23rd September, 2020 may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or investor@bigshareonline.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 forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evotingindia.com.

- (e) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor M/s. M Baldeva Associates, Company Secretaries, Thane (FCS No.: 6180/CP No.: 11062) as Scrutinizer to scrutinize the voting through remote e-voting process and e-voting during the AGM in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding 48 hours from the conclusion of the e-voting period make a scrutinizers' report of the votes cast in favour or against, if any, and forthwith to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting.
- (f) The Result declared along with Scrutinizer's Report shall be placed on the website of the Company viz. www.vipulorganics.com and on the website of CDSL viz. www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall simultaneously be communicated to the BSE Ltd., where shares of the Company are listed.
- (g) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Wednesday, 30th September 2020.
- (h) The AGM shall be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA and SEBI Circulars.

(i) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; companysecretary@vipulorganics.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

THE PROCEDURE/ INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- The remote e-voting period shall begin on Sunday, 27th September 2020 at 09.00 a.m. and end on Tuesday, 29th September 2020 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. Wednesday, 23rd September 2020 may cast their vote electronically. The e-voting module shall be disabled by the CDSL for voting thereafter.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

- The shareholders should log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" module.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholding holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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"> 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).

- After entering these details appropriately, click on "SUBMIT" tab.

- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for Vipul Organics Limited on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The **m-Voting** app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; manish@csmanishb.in and companysecretary@vipulorganics.com (designated email address by company), and if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id at companysecretary@vipulorganics.com or investor@bigshareonline.com.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id at companysecretary@vipulorganics.com or investor@bigshareonline.com.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 (three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id).

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or call 1800225533

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Members who need technical assistance before or during the AGM can send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

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

Item Nos. 4 & 5

Mr. Mihir V. Shah was appointed as an Additional Director of the Company in accordance with the provisions of the Articles of Association of the Company by the Board of Directors w.e.f. 1st April 2020. Mr. Mihir V. Shah, aged 28 years, is a graduate in B. Pharma and Master of Business Administration (MBA) from Narsee Monjee Institute of Management Studies, Mumbai and has also completed six months' industrial training in GlaxoSmithKline Pharmaceuticals Limited. He is associated with Vipul Organics Limited since more than 4.5 years as the Vice-President of the Company. His responsible area of work in the Company is Production management, Innovation management and Marketing.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Mihir V. Shah, holds office as an Additional Director upto the date of this 48th Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company. Further he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. The Nomination and Remuneration Committee of the Company has also recommended for his appointment as Director of the Company.

Upon recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, Mr. Mihir V. Shah was also appointed as Whole-Time Director of the Company for a period of 5 (five) years w.e.f. 1st April, 2020 to 31st March, 2025, subject to approval to the members of the Company. As recommended by Nomination and Remuneration Committee and approved by the Audit Committee, the remuneration payable to Mr. Mihir V. Shah was revised w.e.f. 1st April, 2020.

The additional details as required under clause (iv) to second proviso of Section II B of Part II of Schedule V of the Companies Act, 2013, are provided as annexure to the Notice of 48th AGM of the Company.

Brief resume of Mr. Mihir V. Shah, pursuant to 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 48th Annual General Meeting. .

The Board recommends the Resolutions as set out at item nos. 4 & 5 of the Notice in relation to appointment of Mr. Mihir V. Shah as Director and as Whole Time Director including revision in his remuneration for approval of members of the Company.

Except Mr. Mihir V. Shah and Mr. Vipul P. Shah, none of the other Directors, Key Managerial Personnel of your Company or their relatives are concerned or interested, financially or otherwise, in the resolutions as set out at item nos. 4 and 5.

Item No. 6

Dr. Shiv Nath Sahai, Non Executive Director of the Company is associated with the Company for more than two decades in various capacities. After completion of term as Whole Time Director on March 31, 2020, he continues as Non Executive Director of the Company w.e.f. 1st April, 2020

As per provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a Non-executive Director who has attained the age of seventy-five years, unless a Special Resolution is passed to that effect

Since Dr. Shiv Nath Sahai has attained the age of 75 years, it is necessary to approve continuation of his directorship on the Board of Directors of the Company.

Considering his rich experience, expertise and immense contribution in the growth of the Company in last two decades, the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the continuation of directorship of Dr. Shiv Nath Sahai as a "Non-Executive Director" of the Company.

The Members are, therefore, requested to grant their approval by way of passing a Special Resolution for the continuation of directorship of Dr. Shiv Nath Sahai (DIN: 00332652) as a 'Non-Executive Director' of the Company, liable to retire by rotation.

Accordingly, the Board of Directors recommends the Special Resolution set out at item no. 6 of the notice for approval of the members.

Except, Dr. Shiv Nath Sahai, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the aforesaid 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 STANDARD-2 ON "GENERAL MEETINGS" IS GIVEN BELOW:

Name of the Director	Mr. Vipul P. Shah	Mr. Mihir V. Shah	Dr. Shiv Nath Sahai
Director Identification Number	00181636	05126125	00332652
Date of Birth	2 nd February, 1966	5 th July, 1992	2 nd August, 1945
Age	54 Years	28 Years	75 years
Date of first Appointment on the Board	21 st June, 1992	1 st April, 2020	10 th December, 1993
Designation	Mr. Vipul P. Shah is the Managing Director of the Company	Mr. Mihir Shah is Whole-Time Director of the Company.	Dr. Shiv Nath Sahai is proposed to be appointed as Non-Executive Director of the Company.
Nature of his expertise in specific functional areas	Mr. Vipul Shah is a Chemical Engineer, having more than 31 years of experience in chemical dye stuff and pharmaceuticals industry.	Mr. Mihir Shah has more than 4.5 years of experience in Production Management, Innovation Management and Marketing.	Dr. Shiv Nath Sahai is a Ph.D. in Technology process and having more than 39 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.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil	Nil	Nil
No. of equity shares held in the Company	20,21,100	14,52,600	Nil
No. of Board Meeting attended during the year	4(Four)	N.A.	4(Four)

Name of the Director	Mr. Vipul P. Shah	Mr. Mihir V. Shah	Dr. Shiv Nath Sahai
Terms and Conditions of appointment, reappointment and re-appointment	Liable to retire by rotation	Five years w.e.f. 1 st April, 2020 to 31 st March, 2025, Liable to retire by rotation	Liable to retire by rotation
Remuneration to be paid (if applicable)	Rs. 5,90,000/- per month and other terms and conditions as may be decided by the Board	Rs. 4,05,000/- per month and other terms and conditions as set out in resolution proposed	Sitting Fees
Disclosure of relationship between directors inter-se	Father of Mr. Mihir Shah, Whole Time Director of the Company	Son of Mr. Vipul P. Shah, Managing Director of the Company	Not related

ADDITIONAL INFORMATION FOR ITEM NO. 5

The details as required under Clause (IV) to second proviso of section II B of part II of Schedule V of the Companies Act, 2013 are given below:

I General Information		
(1)	Nature of industry	The Company is engaged in the business of manufacturing of Dye intermediates.
(2)	Date or expected date of commencement of commercial production	The Company is an existing company and is in operations 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. 5.89 Return on net worth: 14.33%
(5)	Foreign investments or collaborators, if any	Nil
II Information about the appointee Mr. Mihir Shah		
(1)	Background details	Mr. Mihir V. Shah, aged 28 years, is a graduate in B. Pharma and Master of Business Administration (MBA) from Narsee Monjee Institute of Management Studies, Mumbai and thereafter completed six months of industrial training in GlaxoSmithKline Pharmaceuticals Limited. He is associated with Vipul Organics Limited since more than 4.5 years as the Vice-President of the Company. His areas of operations in the Company is Production management, Innovation management and Marketing.
(2)	Past Remuneration	Rs. 27,10,000/- p.a.(including bonus of Rs. 10,000/-)
(3)	Job profile and his suitability	He has completed six months' industrial training in GlaxoSmithKline Pharmaceuticals Limited. He is associated with Vipul Organics Limited since more than 4.5 years as the Vice-President of the Company. His areas of operations in the Company is Production management, Innovation management and Marketing.
(4)	Remuneration proposed	Rs. 4,05,000/-per month and Perquisites

	(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, Mr. Mihir V. Shah does not have any other direct or indirect pecuniary relationship with the Company, except holding Shares in the Company. Mr. Mihir V. Shah is son of Mr. Vipul P. Shah, Managing Director of the Company. He is also in Promoter group of the Company.
III. Other information			
	(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 operational efficiency and trying to increase production and sales to achieve sustainable higher margins and profitability.
	(3)	Expected increase in productivity and profits in measurable terms	Though the Company plans to increase its revenues and profits, but in view of corona disruption, prediction is difficult.
IV. Other information			
	(1)	Remuneration package of the managerial person	As detailed in the resolution mentioned in the Notice of AGM.
	(2)	Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2019-20	The requisite details of remuneration of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2019-20 of the Company.

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

Place: Mumbai

Date: 21st August, 2020

Registered Office Address:

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

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

BOARD OF DIRECTORS' REPORT

To the Members,
Vipul Organics Limited

Your Directors are pleased to present herewith the 48th Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

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

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year ended 31 st March, 2020	Previous Year ended 31 st March, 2019	Current Year ended 31 st March, 2020	Previous Year ended 31 st March, 2019
Revenue from Operations	9296.94	9042.87	9224.80	9001.42
Other Income	100.20	43.97	100.20	43.97
Total Revenue	9397.14	9086.84	9325.00	9045.39
Less: Expenditure except Finance Cost & Depreciation & Tax	8421.33	8414.36	8346.01	8369.86
Profit before Finance Cost, Depreciation & Tax	975.81	672.49	978.99	675.53
Less: Finance Cost	89.90	108.78	89.90	108.78
Less: Depreciation and Amortization	199.24	61.30	201.49	63.87
Profit Before Tax	686.68	502.41	687.60	502.88
Less: Provision for Tax	225.79	150.17	225.33	149.91
Profit After Tax	460.89	352.23	462.27	352.97
Other Comprehensive Income/Loss (Net of Tax)	(6.19)	1.10	(6.19)	1.10
Total Comprehensive income attributable to: Non-Controlling Interest	-	-	(0.61)	(0.33)
Total Comprehensive income attributable to Owners of equity	454.70	353.33	455.48	353.75
Total Comprehensive Income (Net of Tax)	454.70	353.33	456.09	354.08

2. COVID-19 AND ITS IMPACT

The business of the Company significantly impacted due to COVID 19 Pandemic. COVID 2019 is perhaps the toughest challenge seen by the Indian economy, Indian industry and our company in decades. The directors have been closely reviewing with the Management, the impact of COVID-19 on the Company. The Company had to temporarily suspend operations at its plant and office locations as per the directives of the Governments and keeping in mind the paramount need of safety of the employees. The operations, though in a scaled down manner, have since commenced after obtaining permissions from the authorities concerned and all safety measures including social distancing are being followed. The situation created by Covid-19 continues to hold some uncertainties for the future; however, the Board and the Management will do their best to address the same, as the situation evolves, in the interests of all stakeholders of the Company.

Now the situation is gradually improving upon relaxations granted by Central and various state governments.

3. OPERATIONS

The performance of the Company showed a substantial improvement during the year under review. The Company has earned total revenue of Rs. 9397.14 Lakhs (previous year Rs. 9086.85 Lakhs) and Net Profit after Tax of Rs. 460.89 Lakhs (previous year Rs. 352.23 Lakhs) on Standalone basis.

The Company has earned consolidated revenue of Rs. 9325.00 Lakhs (previous year Rs. 9045.39 Lakhs) and consolidated Net Profit After Tax of Rs. 462.27 Lakhs (previous year Rs. 352.97), during the year under review.

At the industrial plot of 10,000 sq. mts. with GIDC, Dahej, Company intends to manufacture pigment and pigment intermediates. The Company is in process of obtaining Environment clearance along with necessary approval from the Pollution Board.

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

4. DIVIDEND AND RESERVES

Your Directors have 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 31st March, 2020. This will absorb total cash outflow of Rs. 76,39,600/-. The dividend, if approved, will be paid to those Members whose name shall appear on the Registers of Members/ List of Beneficiaries as on Wednesday, 23rd September 2020.

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:

The Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ('the NCLT') vide its order dated 15th May 2020 approved the Scheme of Amalgamation of Efferchem Pvt. Ltd. with the Company under Sections 230 - 232 of the Companies Act, 2013. Upon filing copies of the said Order with the Registrar of Companies, Mumbai, the Scheme become effective w.e.f. 26th June 2020 with appointed date 1st April, 2017. Now all assets and liabilities of Efferchem Pvt. Ltd. belong to the Company. This amalgamation would be beneficial to the Company.

Apart from above, 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 2nd May, 2017, on recommendation of Audit Committee and subject to the necessary approval of the Shareholders, Creditors, Securities and Exchange Board of India, Stock Exchange, the National Company Law Tribunal and other competent authorities, the Board of Directors of your Company, considered and approved the Scheme of Amalgamation of Efferchem Private Limited (Transferor Company) with the Company. The appointed date is 1st April, 2017.

The Company received No-Objection letter bearing no. DSC/AMAL/SD/R37/1330/2018-19 dated 12th November, 2018 from the BSE Ltd. The members of the Company approved the Scheme in their meeting held pursuant to the directions of the Hon'ble NCLT on 30th September 2019. Further, the NCLT vide its order dated 15th May 2020 approved the said Scheme. Upon filing the copy of said order of the Hon'ble NCLT with the Registrar of Companies, Maharashtra, Mumbai, the Scheme become effective w.e.f. 26th June, 2020.

This 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.

In terms of the said Scheme, 18,25,000 new Equity Shares of Rs. 10/- each fully paid up of the Company were allotted to the shareholders of the Efferchem Pvt. Ltd. on 30th June 2020.

7. SHARE CAPITAL

During the year under review, there was no change in capital of the Company. As on 31st March, 2020, 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.

Pursuant to the Scheme of Amalgamation of Efferchem Pvt. Ltd. with the Company under Section 230 – 232 of the Companies Act, 2013, 18,25,000 new Equity Shares of Rs. 10/- each were allotted to the equity shareholders of the Efferchem Pvt. Ltd. on 30th June, 2020. After this allotment, the issued, subscribed and paid up share capital is Rs. 9,54,95,000/- divided into 95,49,500 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 financial year, the Company has transferred 53,084 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 2011-12.

In terms of the provisions of Section 125 of the Companies Act, 2013 and read with Investor Education and Protection Fund (Accounting, Audit, Transfer & Refund) Rules, 2016, during the year an amount of Rs. 6,739.20/- being unpaid and unclaimed dividend for the Financial Year 2011-12 was transferred to the IEPF.

Further the unpaid and unclaimed dividend amount lying with the Company for Financial Year 2012 - 13 is due to transfer to the IEPF in the month of November, 2020. The details of the same are available on the Company's website viz. 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, Mr. Vipul P. Shah (DIN: 00181636), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

II. Appointment:

The Board of Directors of the Company, in its meeting held on 14th February, 2020 appointed Mr. Mihir V. Shah (DIN: 05126125), Vice President of the Company as an Additional Director of the Company w.e.f. 1st April, 2020, who shall hold office as such upto the date of ensuing Annual General Meeting. The Board also appointed him as Whole-Time Director of the Company for a period of five years w.e.f. 1st April, 2020 to 31st March, 2025, subject to approval of the shareholders at the 48th Annual General Meeting of the Company.

The Company has received a notice in writing from a member under Section 160 of Companies Act, 2013 proposing his candidature as Director of the Company. Your Directors recommend for approval of his appointment as Director and Whole Time Director of the Company.

Brief resume of the directors proposed to be appointed / reappointed 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 48th Annual General Meeting of the Company.

III. Cessation:

Upon expiry of the term, Dr. Shiv Nath Sahai ceased to be Whole-Time Director of the Company w.e.f. 31st March, 2020, and he has also tendered resignation from the post of CFO of the Company from the closing hours of 31st March, 2020. However, he continues to non-executive director of the Company w.e.f. 1st April, 2020.

The Board places on record its sincere appreciation towards the valuable contribution made by him during his tenure as Whole-Time Director & CFO of 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.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA").

None of the directors of your Company are disqualified under the provisions of Section 164(2) of the Companies Act, 2013.

In the opinion of the Board, all the independent directors are persons of integrity and possess relevant expertise and experience.

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 the link: <http://vipulorganics.com>.

During the year under review, a separate meeting of the Independent Directors of the Company was held on 14th February, 2020 for evaluation of performance of non-independent Directors and the Board as a whole.

VI. Key Managerial Personnel (KMP):

As on 31st March, 2020, the following persons were acting as Directors and Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

Sr. No.	Name of the KMP	Designation
1.	Mr. Vipul P. Shah	Managing Director
2.	Dr. Shiv Nath Sahai	Whole Time Director & CFO (upto 31.03.2020)
3.	Ms. Yogita Mundhra	Company Secretary and Compliance Officer

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 noted 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 4 times during the year under review as per details given in the Report on Corporate Governance which forms part of this 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 four committees of the Board, namely:

1. Audit Committee;
2. Stakeholders' Relationship Committee;
3. Nomination and Remuneration Committee; and
4. Corporate Social Responsibility Committee.

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

12. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31st March, 2020, 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 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 Companies Act, 2013 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.

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(3)(c) read with 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 31st March, 2020 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 adequately protected.

16. DEPOSITS

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

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 2019-20 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 2019-20, 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 required 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 45th Annual General Meeting held on 29th 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 45th Annual General Meeting till the conclusion of 50th Annual General Meeting of the Company to be held for the financial year ending 31st March, 2022, subject to the ratification by members of the Company every year.

However, after the amendment in Section 139 of the Act, effective 7th 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 50th Annual General Meeting of the Company to be held for the financial year ending on 31st 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 2019-20. The Secretarial Audit Report is appended as **Annexure – II** and forms a part of this 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

The Statutory Auditors have not made any qualifications, observation or adverse remark in their Reports on the Consolidated and Standalone Financial Statements.

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

1. Delay in filing of some e-forms with Registrar of Companies (ROC), Maharashtra, Mumbai; was inadvertent
2. Delay in processing of one request for transfer/transmission of share and issue of duplicate share certificates was inadvertent, which was processed subsequently.
3. Delay in submission of certain information / details with stock exchange 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 salient features of the financial statements of Shree Ambika Naturals Private Limited, in Form AOC 1, is annexed as **Annexure III** and forms part of this 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" with 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. Auditors' Certificate regarding compliance with conditions of Corporate Governance.
- e. 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

33. MANAGERIAL REMMUNERATION AND OTHER DETAILS

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as **Annexure –IV** and forms 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:

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility committee and Corporate Social Responsibility (CSR) Policy. The policy on Corporate Social Responsibility has been placed on the website of Company <http://vipulorganics.com>.

The details as required under Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 are annexed to this report as **Annexure -V** and forms part of this report.

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 -VI** and forms part of this report.

36. LISTING:

The equity shares of the Company continue to be listed on BSE Limited.

37. CREDIT RATINGS:

India Ratings and Research Private Limited has reaffirmed the following credit ratings for Company's long term and short term instruments:

Scale	Amount (INR million)	Rating	Facilities Rated from
Term Loan	85.00	IND BB+/ Stable	Axis Bank
Fund based working capital limit	135.00	IND BB+/ Stable/ IND A4+	
Total	220.00		
Fund based working capital limit	120.00	IND BB+/ Stable/ IND A4+	Vijaya Bank
Non-Fund based working capital limit	31.50	IND A4+	
Total	151.50		

38. ACKNOWLEDGEMENT

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

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

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

Place : Mumbai
Date : 21st August, 2020

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

Annexure I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9
Extract of Annual Return
(As on the financial year ended on March 31, 2020)

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24110MH1972PLC015857
2.	Registration Date	21/06/1972
3.	Name of the Company	Vipul Organics Limited
4.	Category/Sub-Category of the Company	Company Limited by shares/Non-government Company
5.	Address of the Registered office and contact details	102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400053, Maharashtra 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, 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400059. Tel.: +91-22-62638200, Fax: +91-22-62638299 Email: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Fast Base	2411	19
2.	Reactive Dyes	2411	15
3.	Pigment	2411	45

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)

IV. 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	
A.	Promoters									
1.	Indian									
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
	Sub-total(A) (1):-	42,10,100	0	42,10,100	54.50	42,10,100	0	42,10,100	54.50	0.00
2.	Foreign									
a.	NRI- Individual	0	0	0	0	0	0	0	0	0
b.	Other Individuals	0	0	0	0	0	0	0	0	0
c.	Body Corporate	0	0	0	0	0	0	0	0	0
d.	Bank/ FI	0	0	0	0	0	0	0	0	0
e.	Any Others	0	0	0	0	0	0	0	0	0
	Sub-total(A) (2):-	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoters (A)=(A1+A2)	42,10,100	0	42,10,100	54.50	42,10,100	0	42,10,100	54.50	0.00
B.	Public									
1.	Institution									
a.	Mutual Funds	0	19,600	19,600	0.25	0	100	100	0	0.25
b.	Bank/FI	0	0	0	0	0	0	0	0	0
c.	Cent. Govt.	0	0	0	0	0	0	0	0	0
d.	State Govt.	0	0	0	0	0	0	0	0	0
e.	Venture Capital	0	0	0	0	0	0	0	0	0
f.	Insurance Co.	0	0	0	0	0	0	0	0	0
g.	FIs	0	0	0	0	0	0	0	0	0
h.	Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i.	Others	0	0	0	0	0	0	0	0	0
a.	Sub- Total B(1)	0	19,600	19,600	0.25	0	100	100	0	0.25
2.	Non-Institutions									
a.	Body Corporate	3,29,181	28,200	3,57,381	4.63	2,75,537	3200	2,78,737	3.61	1.02
b.	Individual									
i.	Individual shareholders holding nominal share capital upto Rs 1 lakh	6,21,888	1,66,830	7,88,718	10.21	6,38,141	1,41,630	7,79,771	10.09	0.12

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	
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19,29,704	0	19,29,704	24.98	19,35,502	0	19,35,502	25.06	(0.08)
c.	Others									
i.	Hindu Undivided Family	2,51,784	0	2,51,784	3.26	2,31,918	0	2,31,918	3.00	0.26
ii.	Non Resident Indian(NRI)	700	14,100	14,800	0.19	0	14,100	14,100	0.18	0.01
iii.	NRI Repatriation	2806	0	2806	0.04	4906	0	4906	0.06	(0.03)
iv.	NRI Non Repatriation	21866	0	21866	0.28	92,135	0	92,135	1.19	(0.91)
v.	Clearing Member	22,067	0	22,067	0.29	18,473	0	18,473	0.24	0.05
vi.	IEPF	1,05,674	0	1,05,674	1.37	1,58,758	0	1,58,758	2.06	(0.69)
b.	Sub-total B (2)	32,85,670	2,09,130	34,94,800	45.24	33,55,370	1,58,930	35,14,300	45.50	(0.25)
c.	Total Public Shareholding (B)= (B1+B2)	32,85,670	2,28,730	35,14,400	45.50	33,55,370	1,59,030	35,14,400	45.50	(0.00)
d.	C. Shares held by Custodians for GDR's and ADRs	0	0	0	0	0	0	0	0	0
e.	Grand Total (A+B+C)	74,95,770	2,28,730	77,24,500	100.00	75,65,470	1,59,030	77,24,500	100.00	(0.00)

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	15.02	0	11,60,600	15.02	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
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	9,33,150	12.08	0	9,33,150	12.08	0	0
8	Late Jaya P. Shah	4,50,000	5.83	0	4,50,000	5.83	0	0
	Total	42,10,100	54.50	0	42,10,100	54.50	0	0

iii) Change in Promoters' Shareholding:

Sr. No	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Mihir Vipul Shah				
A	At the beginning of year	11,60,600	15.02	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	11,60,600	15.02
2.	Mr. Vipul Pravinchandra Shah				
A	At the beginning of year	9,26,100	11.99	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	9,26,100	11.99
3.	Vipul P. Shah (HUF)				
A	At the beginning of year	2,50,000	3.24	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	2,50,000	3.24
5.	Mrs. Mita Vipul Shah				
A	At the beginning of year	4,39,500	5.69	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	4,39,500	5.69
6.	Mrs. Kavita P. Shah				
A	At the beginning of year	50,750	0.66	-	-
B	Change during the year	No Change during the year			
C	At the end of year	-	-	50,750	0.66
7.	Mr. Vatsal V. Shah				
A	At the beginning of year	9,33,150	12.08	-	-
B	Change during the year	No Change during the year			
C	At the end of year	-	-	9,33,150	12.08
8.	Late Jaya P. Shah				
A	At the beginning of year	4,50,000	5.83	-	-
B	Change during the year	No Change during the year			
C	At the end of year	-	-	4,50,000	5.83

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

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Manoj Bishan Mittal				
	A. At the beginning of the year	3,82,728	4.95		
	B. Changes during the year	No Change during the year			
	C. At the end of the year			3,82,728	4.95
2.	Mr. Kishor Punamchand Ostwal				
	A. At the beginning of the year	3,50,000	4.53		
	B. Changes during the year				
	29.11.2019-Purchase	4000	0.05	3,54,000	4.58
	06.12.2019-Sell	(4000)	(0.05)	3,50,000	4.53
	13.12.2019-Purchase	4000	0.05	3,54,000	4.58
	20.12.2019-Sell	(200)	-	3,53,800	4.58
	27.12.2019-Sell	(3800)	(0.05)	3,50,000	4.53
	13.03.2020-Purchase	90	-	3,50,090	4.53
	20.03.2020-Purchase	1300	0.02	3,51,390	4.55
	C. At the end of the year			3,51,390	4.55
3.	Mr. Pranay Rajesh Shah				
	A. At the beginning of the year	1,40,000	1.81		
	B. Changes during the year	No Change during the year			
	C. At the end of the year			1,40,000	1.81
4.	Mr. Mehul Shah				
	A. At the beginning of the year	83,500	1.08		
	B. Changes during the year				
	11.10.2019-Purchase	25,000	0.32		
	C. At the end of the year			1,08,500	1.40
5.	CNI Research Limited				
	A. At the beginning of the year	99,300	1.29		
	B. Changes during the year				
	10.05.2019-Sell	(900)	(0.02)	98,400	1.27
	05.07.2019-Sell	(1600)	(0.02)	96,800	1.25
	12.07.2019-Sell	(1000)	(0.01)	95,800	1.24

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
	19.07.2019-Purchase	1000	0.01	96,800	1.25
	09.08.2019-Purchase	1500	0.02	98300	1.27
	31.01.2020-Sell	(2100)	(0.02)	96,200	1.25
	07.02.2020-Purchase	2900	0.03	99,100	1.28
	21.02.2020-Sell	(2000)	(0.02)	97,100	1.26
	28.02.2020- Purchase	2000	0.02	99,100	1.28
	C. At the end of the year			99,100	1.28
6.	Tecknpoint Mercantile Co. Private Limited				
	A. At the beginning of the year	90,306	1.17		
	B. Changes during the year				
	12.04.2019-Sell	(1500)	(0.02)	88,806	1.15
	24.05.2020-Sell	(2774)	(0.04)	86,032	1.11
	31.05.2019-Sell	(2162)	(0.02)	83,870	1.09
	14.06.2019-Purchase	1800	0.02	85,670	1.11
	21.06.2019-Sell	(2219)	0.03	83,451	1.08
	28.06.2019-Sell	(451)	(0.01)	83,000	1.07
	09.08.2019-Sell	(3866)	(0.05)	79,134	1.02
	16.08.2019-Sell	(400)	-	78,734	1.02
	30.08.2019-Sell	(2070)	(0.03)	76,664	0.99
	13.09.2019-Sell	(3235)	(0.04)	73,429	0.95
	20.09.2019-Sell	(1000)	(0.01)	72,429	0.94
	23.09.2019-Sell	(6979)	(0.09)	65,450	0.85
	30.09.2019- Purchase	3729	(0.05)	69,179	0.90
	04.10.2019- Purchase	2872	0.03	72,051	0.93
	11.10.2019- Purchase	1600	0.02	73,651	0.95
	25.10.2019-Purchase	500	0.01	74,151	0.96
	01.11.2019-Sell	(1560)	(0.02)	72,591	0.94
	08.11.2019-Purchase	150	-	72,741	0.94
	15.11.2019-Purchase	850	0.01	73,591	0.95
	22.11.2019-Sell	(3380)	(0.04)	70,211	0.91
	29.11.2019-Purchase	681	0.01	70,892	0.92
	06.12.2019-Purchase	2192	0.03	73,084	0.95
	13.12.2019-Sell	(913)	(0.02)	72,171	0.93
	20.12.2019-Sell	(25)	-	72,146	0.93

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	27.12.2019-Sell	(3255)	(0.04)	68,891	0.89
	31.12.2019-Purchase	3750	0.05	72,641	0.94
	03.01.2020-Sell	(3159)	(0.04)	69,482	0.90
	10.01.2020-Sell	(497)	(0.01)	68,985	0.89
	17.01.2020-Sell	(3757)	(0.05)	65,228	0.84
	24.01.2020-Sell	(1000)	0.01	64,228	0.83
	31.01.2020-Purchase	2300	0.03	66,528	0.86
	14.02.2020-Sell	(364)	-	66,164	0.86
	21.02.2020-Sell	(15,346)	(0.20)	50,818	0.66
	28.02.2020-Purchase	1980	0.02	52,798	0.68
	06.03.2020-Purchase	2498	0.04	55,296	0.72
	13.03.2020-Sell	(1063)	(0.02)	54,233	0.70
	27.03.2020-Sell	(2755)	(0.03)	51,478	0.67
	31.03.2020-Sell	(533)	(0.01)	50,945	0.66
	C. At the end of the year			50,945	0.66
7.	Shalibhadra Jayantilal Varaiya (HUF)				
	A. At the beginning of the year	72,000	0.93		
	B. Changes during the year	No Change during the year			
	C. At the end of the year			72,000	0.93
8.	Mr. Sunil Bansilal Raison				
	A. At the beginning of the year	71,102	0.92		
	B. Changes during the year				
	05.04.2019-Sell	(4791)	(0.06)	66,311	0.86
	12.04.2019-Sell	(2010)	(0.03)	64,301	0.83
	31.05.2019-Sell	(200)	-	64,101	0.83
	07.06.2019-Sell	(700)	(0.01)	63,401	0.82
	22.11.2019-Sell	(8261)	(0.11)	55,140	0.71
	29.11.2019-Sell	(2486)	(0.03)	52,654	0.68
	07.02.2020-Purchase	10000	0.13	62,654	0.81
	20.03.2020-Sell	(662)	(0.01)	61,992	0.80
	C. At the end of the year			61,992	0.80

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
9.	Ms. Aarti Bhupat Shah				
	A. At the beginning of the year	64,057	0.83		
	B. Changes during the year				
	21.06.2019-Sell	(102)	-	63,955	0.83
	28.06.2019-Purchase	102	-	64,057	0.83
	05.07.2019-Sell	(25)	-	64,032	0.83
	19.07.2019-Purchase	25	-	64,057	0.83
	25.10.2019-Purchase	1	-	64,058	0.83
	01.11.2019-Sell	(50)	-	64,008	0.83
	08.11.2019-Purchase	1	-	64,009	0.83
	29.11.2019-Purchase	51	-	64,060	0.83
	31.12.2019-Sell	(10)	-	64,050	0.83
	03.01.2020-Sell	(41)	-	64,009	0.83
	24.01.2020-Sell	(51)	-	63,958	0.83
	C. At the end of the year			63,958	0.83
10.	Mr. B N Mittal				
	A. At the beginning of the year	55,750	0.72		
	B. Change during the year	No Change during the year			
	C. At the end of the year			55,750	0.72
11.	Mr. Hiten Ramniklal Shah				
	A. At the beginning of the year	54,138	0.70		
	B. Changes during the year	No Change during the year			
	C. At the end of the year			54,138	0.70

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. Vipul Pravinchandra Shah				
A	At the beginning of the year	9,26,100	11.99		
B	Changes during the year	No Change during the year			
C	At the end of year			9,26,100	11.99

V. INDEBTEDNESS:-

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

(Amount in Rs.)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019				
1) Principal Amount	182385083	-	-	182385083
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	182385083	-	-	182385083
Change in Indebtedness during the financial year				
+ Addition	1540758381	-	-	1540758381
- Reduction	1512040889	-	-	1512040889
Net change	28717492	-	-	28717492
Indebtedness at the end of the financial year 31.03.2019				
1) Principal Amount	211102575	-	-	211102575
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	211102575	-	-	211102575

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

Sr. No	Particulars of Remuneration	Name of MD/WTM/Manager		Total Amount (in Rs)
		Mr. Vipul P. Shah Managing Director	Dr. Shiv Nath Sahai Whole-Time Director & CFO(Upto 31.03.2020)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	69,02,500	8,40,000	77,42,500
	(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	-	-	-
	Bonus	-	10,000	10,000
5.	Others, please specify	-	-	-
	Total (A)	69,02,500	8,50,000	77,52,500
	Ceiling as per the Act	Rs. 78.14 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	Mr. Jagdeep Mehta	Mr. Prasannakumar B. Gawde	Mrs. Megha S. Bhati	Total Amount (in Rs)
1	Independent Directors				
	- Fee for attending board committee meetings	88,000	1,08,000	50,000	2,46,000
	- Commission	-	-	-	-
	- Others	-	-	-	-
	Total (1)	88,000	1,08,000	50,000	2,46,000
	Ceiling as per the Act	Rs. 7.81 Lakhs (1% of Net Profit of the Company)			
	Overall Ceiling as per the Act	Rs. 85.96 Lakhs (11% of Net Profit Of the Company) or Rs. 84 Lakhs p.a. per person which ever is higher.			

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

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (in Rs)
		Yogita Mundhra Company Secretary	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	3,90,501	3,90,501
	(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	-	-
	Bonus	7,500	7,500
	Total (A)	3,98,001	3,98,001

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Place : Mumbai
Date : 21st August, 2020

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

Annexure-II**Form No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

*[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, 2020 ('Audit Period') 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, 2020 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), Maharashtra, Mumbai;
2. Delay in processing of one request for transfer/transmission of share and issue of duplicate share certificates and one request for dematerialization; and
3. Delay in submission of certain information / details to the BSE Ltd., where equity shares of the company are listed, 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) In pursuance of an order dated 21st August, 2019 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai in the matter of Scheme of Amalgamation of Efferchem Private Limited (Transferor Company) and Vipul Organics Limited (Transferee Company) under Section 230 - 232 of the Companies Act, 2013, a meeting of the Equity Shareholders of the Company was convened and held on Monday, 30th September, 2019 seeking approval of the Equity Shareholders for the said Scheme, and the shareholders approved the same.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor
M. No. FCS 6180 C.P. No. 11062
UDIN: F006180B000602358

Place : Thane

Date: 21st August, 2020

1. 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.
2. In the wake of COVID-19 pandemic outbreak, the Company provided books, papers, minute books, registers, forms and returns and other records maintained by it by electronic means for my audit and I could not verify the original documents physically. However, the management of the Company has confirmed that all documents provided by electronic means are true and correct copies of original documents.

‘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
UDIN: F006180B000602358

Place : Thane
Date: 21st August, 2020

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	(2620.515)
6.	Total assets	12458.951
7.	Total Liabilities	4623.880
8.	Investments	0
9.	Turnover	14124.775
10.	Profit before taxation	924.505
11.	Provision for taxation	46.000
12.	Profit after taxation	139.757
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 : 21st August, 2020

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

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	23.54
2.	Dr. Shiv Nath Sahai	2.89

- (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	16.37%
2.	Dr. Shiv Nath Sahai	3.70%
3.	Ms. Yogita Mundhra	-
(iii)	The percentage increase in the median remuneration of employees in the financial year	17.35%
(iii)	The number of permanent employees on the rolls of the company	106
(iv)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in remuneration of employees is 53.17% and managerial personnel is 14.66%

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 : 21st August, 2020

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

Annexure V

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:
 - To make CSR a key business process for sustainable development for the society.
 - To aim at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.
 - To directly or indirectly take up programmes that benefit the communities in vicinity wherever the Company operates and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local populace.
 - Contributing to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.
 - Collaborating with communities and institutions to contribute to the national mission of eradicating poverty and hunger, especially in rural areas, through agriculture research and knowledge sharing, conservation and development of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programs and such other initiatives.
2. The Composition of the CSR Committee as on 31st March, 2020:

Sr. No.	Name of Members	Status
1.	Mr. Prasannakumar Gawde	Chairman
2.	Mr. Jagdeep Mehta	Member
3.	Mr. Vipul P.Shah	Member

3. Average net profit of the company for last three financial years—Rs. 36,510,990
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)— Rs. 7,30,220
5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: Rs. 7,30,220
- (b) Amount unspent, if any :Nil

- (c) Manner in which the amount spent during the financial year is detailed below:

(Amount in Rs.)

Sr. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to to the reporting period	Amount spent: Direct or through implementing agency
1.	Promoting Health Care, including preventive health care	Medical	Kathor Medical, Gujarat	1,00,000	1,00,000	1,00,000	Direct

(Amount in Rs.)

Sr. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to to the reporting period	Amount spent: Direct or through implementing agency
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Education	Jayalaxmi Pravin chandra Babu bhai Shah Trust , Mumbai	1,50,000	1,50,000	2,50,000	Direct
3	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Education	VITRAG Education Foundation, Mumbai	5,00,000	5,00,000	7,50,000	Direct

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount: **Not Applicable**
7. The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

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

Place : Mumbai
Date : 21st August, 2020

Vipul P. Shah
Managing Director
DIN: 00181636

Prasannakumar Gawade
Chairman Of the CSR Committee
DIN: 01456510

Annexure VI

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

A	Conservation of energy	
	(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	Technology absorption	
	(i) the efforts made towards technology absorption	<p>The Company has not acquired any foreign technology so far as the technical know-how is concerned. The technology for the Company's activities is available easily in India. The question of absorption and adaptation does not arise.</p> <p>The Company has no separate division as such of carrying out Research and Development since the Company has been using so far the standardized methods of manufacturing Dyes and Chemicals. However, a small laboratory is in function for quality control. The Company has therefore not spent any expenditure on Research and Development during the year under review.</p>
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
	(iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
	(iv) the expenditure incurred on Research and Development.	
C	Waste Water Management	
	Treatment of the Waste Water and recovering 90% for re-using in the plant.	Company has purchased ZLD (Zero Liquid Discharges) plant from Arvind Envisol Limited spending Rs. 39,099,301 for the waste water management and running successfully.

D	Foreign exchange earnings and outgo	2019-20 (Rs. In Lakh)	2018-19 (Rs. in Lakh)
(i)	The foreign exchange outgo (actual outflows)	695.28	768.51
(ii)	The foreign exchange earned (actual inflows)	9037.35	7128.27

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

Place : Mumbai
Date : 21st August, 2020

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

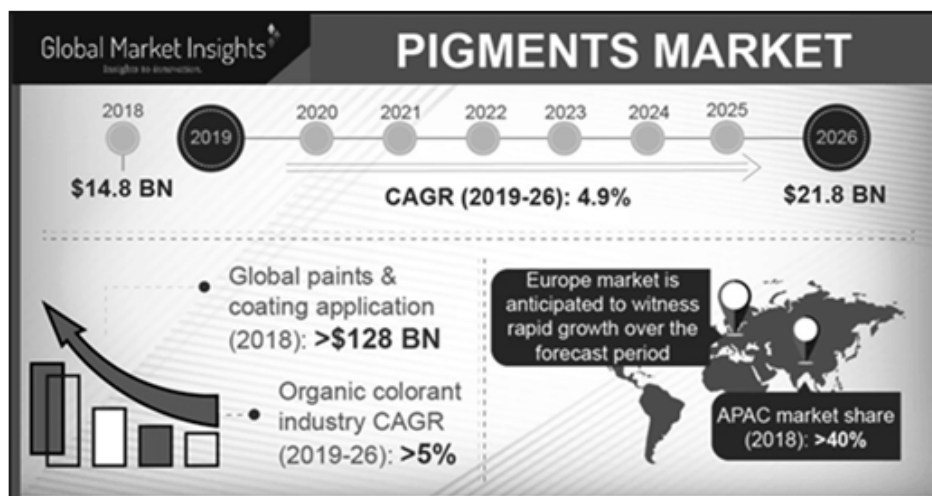
(1) Global Pigment Industry Review

(i) Highlights

Pigments are solid materials that improve the appearance or impart colour to the substrate, on which they are applied. Pigments are available in three types mainly Organic (Azo pigments), Phthalocyanines (Blue and Greens), and Inorganic Pigments including specialty pigments. Pigments are insoluble material, incorporated by physically mixing them with aqueous medium. They have high tinting strength as compared to the material in which they are added. Pigments serve main three functions; imparts colour to the medium, hide the substrate, efface the existing and enhance the strength of paint application film. The Company has a strong sustainable growth and potential in pigment industry both for Domestic as well as International market.

(ii) Global Market Insight

Global market insights indicated that from a revenue of USD 15.1 billion in 2019, it is expected to reach to USD 22.01 billion in next five years. Pigment Industry is anticipated to grow with a CGAR of 4.5 % by 2025.



Due to Covid -19, global economy has been into recession and growth is projected about -3 to 4 % in current year. Owing to pandemic's effect and restrictive measures undertaken by several economies, we expect that global economy will touch a growth of about 5 to 5.5% with normal working conditions and Government Support.

The industry has seen unprecedented turmoil in 2020 from COVID-19 and the economic recession that was triggered by the lockdowns in markets across the world.

(iii) Indian Economy

The recent outbreak of COVID-19, which led to the country wide lockdown so as to curtail the spread of the virus, has posed a severe challenge for the economy and has altered the outlook for the country. The pandemic has caused major disruptions in manufacturing output across sectors and impacted the energy and commodity demand to a large extent. International Monetary Fund has ranked India at fifth largest Economy surpassing many European countries. India is consistently registering about 5 to 6% GDP growth, but due to Covid-19 pandemic, it started declining, however, we expect quick recovery will push up in 2021 due to reforms and credit Guarantee to MSME sector.

(iv) Overview

Colour trends over past few years are moving towards a bright colourful future palette. Indian pigment industry has grown into Organic (Azo and Copper Phthalocyanine, quinacridone) Inorganic (Titanium, Iron Oxide, Cadmium Pigments, Chromium and others) and specialty pigments such as Metallic, High Performance, Light Interference, Complex Inorganic, Fluorescent, Luminiscent and Thermochromatic. Paints & Coating, Printing Inks, Plastics, Rubber, Construction Materials and others are main application.

(2) Dyes & Dye-intermediates Industry

The Indian Dyestuffs Industry play an important role in chemical industry Segment, which contributes significantly to its growth. Indian Dyestuffs Market is designed to grow smoothly with a CAGR of 5-6% per year for next 4 to 5 years, thereby expecting to generate a revenue of about USD 165 billion but these may hamper due to Corona-19 pandemic. Indian dyestuffs market is expected to generate a revenue of Rs.48,000 crores in next two years. So we are hopeful for a bright future, thereby creating more job opportunities, more exports and overall growth of dyes and dye- intermediates Industry.

India is producing all types of dyes such as Acid, Basic, Direct, Reactive, Vat, Disperse, Sulphur, Optical Brightening Agents, Solvent dyes, Naphthols, Fast Colour Bases and Fast Salts, Food-colours and Lake colours etc. The demand for dyes is increasing due to huge requirement from cotton, viscose, polyester, nylon, wool, silk, paper, jute, leather, coir and ink industry. Large scale sector contributes to 55-60 % where as MSME about 45-40%. Domestic textile and apparel industry including handicraft generated a revenue of USD 140.2 billion, bifurcation being USD 100.5 billion for domestic market and USD 35.5 billion for international market. The textile & garment Industry is expected to reach USD 225 billion by the year end. Technology upgradation, research & development activity to improve quality and remain cost competitive in the global market are some important factors to raise exports of apparels. According to new research data available, the global dyes and pigment industry was pegged at 33.2 billion in 2019 and is expected to grow at 4-5 % CAGR in next five years. It is the need of hour to upgrade the manufacturing processes by deploying advance technology for efficient removal of hazardous effluent. As per strict and stringent regulation laid down by Environment Ministry (National Green Tribunal), VOL has installed Zero Liquid Discharge (ZLD) plant , for the disposal of effluent thus providing a clean and healthy environment at the factory to safe guard the human workforce and society.

(3) Business of the company

The Company is among leading manufacturing and exporting entity among top Dyes & Manufactures in India. VOL is manufacturing Dyestuffs for Textile and Apparel, Ink, Leather and paper Industries etc. Your Company is also producing Organic Azo Pigments for various applications. Dyes-intermediates are mainly for captive consumption, if surplus, the export requirement is fulfilled. Factories are located at Ambarnath, Palghar and Tarapur in the State of Maharashtra.

(4) Future Outlook and Opportunities

There remains a lot of uncertainty in the market place with no clarity on the COVID situation. Cases are increasing rapidly despite prolonged lockdowns. Several cities are still under lockdown resulting in huge supply chain issues. Despite this gloomy outlook, Your Company plans to diversify further with the addition of new specialty pigments, mono pigments, thereby meeting the requirement of digital printing market with the finest particle size of pigment dispersions. Company is in the process of regulatory approvals and approval of infrastructure for the expansion at its Dahej factory. Your Company is strengthening its domestic presence, enhance Global market share and meeting the requirement of more than five hundred loyal customers worldwide. With stringent control on quality, all factories are following as per ISO 9001:2015.

(5) Growth Plan

As informed in our last AGM, our Tarapur Plant was completed during the AY 2019-20. Production of Pigment Dispersion was stated at early stage. The ZLD effluent treatment plant was installed and completed. The commissioning of ZLD plant was done in October/ November 2019. Commercial Production of Pigment powder was started thereafter. With the Dahej plant in pipeline, your company will have a very strong position as one of top five pigment manufacturers in

India. The company has appointed dealers and distributors on Pan India basis and for international marketing, we are increasing the number of agents worldwide. Your Company will continue to deliver profitable growth, led by enhanced capacity utilization, increased contribution to value added products.

(6) Segment wise or product wise performance

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

(7) Risks Concerns & Threats

The Company has an robust Risk Management framework. Its main function is to identify and assess risk keeping business objectives in mind. It also helps to monitor the effectiveness and efficiency of risk responses against strategic, operational, financial and compliance risk. However there remains a big threat of uncertainties due to Covid-19 along with cross border tension, global trade war, fluctuations in commodities prices and volatile forex movement.

(8) Financials and compliance risk

The company also focuses on existing and emerging threats that could materially impact overall risk exposure. It helps us to calibrate these risks from materiality standpoint and evolve mitigation mechanism as and when required. Market risk, credit risk, liquidity risk are overseen by the ERM team, who advise management for to adopt appropriate policies and procedures. The company fulfils its legal requirements concerning emission, waste water and effluent disposal. The company aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behaviour.

(9) Internal Control Systems and their accuracy

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically used efficiently and are adequately protected. All the company processes are carried out on the SAP system introduced and implemented recently. The internal auditors along with finance team plan yearly schedule in consultation with CFO and Audit committee. The Audit committee reviews the major findings of the internal audit.

The periodic report prepared by internal audit team, creates the basis of certification provided by MD and Chief Financial Officer for financial reporting.

(10) Financial & Operational Performance

Aggressive growth and main focus on export, research & development, marketing alliances, upgradation of manufacturing facility, contract manufacturing have established new markets. New areas, environmental consciousness, cost reduction, etc in order to achieve new global standards. Reactive Dyes and Disperse Dyes have been most in demand for dyeing and printing industry for cotton textiles and cotton/ polyester blends with GST implementation, industry is benefitted. This provided the competitiveness of Indian goods and services in the international market and gave boost to export. The relaxed tax rates and procedures across the country will also go along way in reducing compliance cost.

(11) Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) (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.

Ratios	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Debtors Turnover Ratio	4.09	0.27	4.12	1.46
Inventory Turnover Ratio	8.87	7.71	8.87	7.86
Interest Coverage Ratio	8.64	6.18	8.91	6.35
Current Ratio	1.05	1.17	1.06	1.58
Debt Equity Ratio	0.61	0.63	0.62	0.64
Operating Margin Ratio	7.31%	6.56%	7.37%	6.95%
Net Profit Margin	4.92%	3.89%	4.94%	3.90%
Return on Net Worth	14.33%	12.41%	14.47%	12.52%

Return on Networth for financial year is 14.33% as compared to 14.47% for previous year and it was marginally reduced mainly because of increase in the tax outgo.

(12) Human Resource Management

The thrust of the Company's human resource development is to create a responsive and market-driven organization with emphasis on performance. Continuous appraisal of personnel competence in line with job requirements, are carried out to provide for necessary training to personnel thereby facilitating higher levels of output and productivity. Overall Industrial Relations climate of the Company continue to remain harmonious with a focus on productivity, quality, and safety. During AY 2020 under review, there were no labour issues outstanding or remained unsettled during 2019-20. Our employees have been very cordial and delivered the superior performance during the year. Salient features have been to recruit the best talent available, nurture and empower them. As on 31st March, 2020, the Company has a strength of 106 permanent employees. The Board records their appreciation of the commitment and support of the employees and look forward the same in future.

(13) Cautionary Statement

Some of the Statements made in the Management Discussions & Analysis mentioning the Company's objective, estimates, projections, expectations and predictions may be forward looking statements within the meaning of applicable securities laws and regulations. The expectations are based on reasonable assumptions, the actual results may differ from implied. The company's operations are dependent by many external and internal factors beyond the control of the company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent events or information.

For and on behalf of the Board of Directors

Vipul P. Shah
Managing Director
DIN: 00181636

Place : Mumbai
Date : 21st August, 2020

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. 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.

2. Corporate Ethics:

The Company adheres to the highest standards of business ethics, transparency in all its dealings and timely compliance with statutory and legal requirements.

2.1 Code of Conduct of Board Members and Senior Management:

The Board of Directors of the Company has adopted Code of Conduct for its Members and Senior Management and it is reviewed and modified periodically as per changes in applicable laws. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride of association. The code has been posted on the website of the Company i.e. www.vipulorganics.com

2.2 Code of Conduct for Prevention of Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders for its management, directors, designated employees and other connected persons. 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.

2.3 Vigil Mechanism:

The Company has established a vigil mechanism for employees, officers and directors, which encourage them to report any suspected violation promptly and intend to investigate any report of violations made in good faith.

2.4 SHE (Safety, Health & Environment) System:

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

3. BOARD OF DIRECTORS:

1. Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2020, the Board comprised of total five directors. Out of these, two directors are Executive Directors and three are Non-Executive Independent Directors. Further, the Board has appointed Mr. Mihir V. Shah as an Additional Whole-Time Director of the Company w.e.f. 1st April, 2020, subject to approval of the members of the Company.

Upon expiry of term, Dr. Shiv Nath Sahai ceased to be Whole-Time Director of the Company w.e.f. 31st March, 2020 and has also on account of his health issues, has tendered resignation from the services of the Company as CFO w.e.f. closing hours of 31st March, 2020. However, Dr. Shiv Nath Sahai continues to be associated with the Company as Non-Executive Director of the Company w.e.f. 1st April, 2020.

None of the Independent Directors have any material pecuniary relationship or transaction with the Company, its Promoters, Directors, senior management, which would affect their independence.

Further, none of the directors on the Board is a member of more than 10 Committees and Chairperson in more than 5 Committees, across all companies in which they are director.

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 four (4) times on 30th May, 2019, 14th August, 2019, 13th November, 2019, 14th February, 2020. 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 2019-20 and at the last Annual General Meeting, their directorships in other companies and Membership/ Chairmanship in Committees are as follows:

Name of Director	Category	No. of Board Meetings Attended		Attendance at last AGM held on 30 th September, 2019	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	4	4	Present	1	-	-	-	Nil
*Dr. Shiv Nath Sahai	Whole Time Director & CFO	4	4	Present	1	-	-	-	Nil
Mr. Jagdeep Y. Mehta	Independent Director	4	4	Absent	-	-	-	-	Nil
Mr. Prasannakumar B. Gawde	Independent Director	4	4	Present	-	-	-	-	Nil
Mrs. Megha S. Bhati	Independent Director	4	4	Present	-	-	-	-	Nil

**(re-designated as Non-Executive, Non-Independent director from 01.04.2020)*

Note:

- a) The directorships held by directors as mentioned above does not include directorships in Private Companies/ Section 8 Companies/Foreign Companies as on 31st March, 2020.
- b) Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.
- c) 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.
- d) No director is related to any other Director on the Board as on 31st March, 2020.
- e) None of non-executive directors hold any shares / convertible securities in the Company.

4. Directors' familiarization programme:

The Company undertakes and makes necessary provision for an appropriate induction programme for new directors and ongoing training for existing directors. The new directors are introduced to the Company culture through appropriate training programmes. Such kind of training programmes help in developing relationship of the Directors with the Company and familiarize them with Company's 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's 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 are the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business for it to function effectively, efficiently and those available with the Board as a whole and the specific areas of focus or expertise of individual board members have been highlighted hereunder:

Core skills / competencies / Expertise and Description	Name of the Directors				
	Mr. Vipul Shah	Dr. S. N. Sahai	Mr. Jagdeep Mehta	Mr. Prasanna Kumar Gawde	Mrs. Megha Bhati
Sales & Marketing: Experience in developing strategies to grow sales and market share and marketing management based on understanding of the industry.	✓	✓	✓	-	✓
Global Business experience: Experience in leading businesses in different geographies/markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a broad perspective on global market opportunities.	✓	✓	✓	-	✓

Core skills / competencies / Expertise and Description	Name of the Directors				
	Mr. Vipul Shah	Dr. S. N. Sahai	Mr. Jagdeep Mehta	Mr. Prasanna Kumar Gawde	Mrs. Megha Bhati
General Management/Governance: Strategic thinking, decision making and protect interest of all stakeholders;	✓	✓	✓	✓	✓
Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	✓	✓	✓	✓	✓
Technical Skills: Technical skills and professional skills and knowledge including legal and regulatory aspects.	✓	✓	✓	✓	✓

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 14th February, 2020 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. Formal Letter of appointment has been given 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.

9. Declaration by the Board

In the opinion of the Board of Directors of the Company, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25(8) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

Further, all the Independent Directors of the Company have affirmed compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, regarding enrollment in the Data Bank for Independent Directors as required under Notification dated October 22, 2019 issued by the Ministry of Corporate Affairs in this regard.

None of the Independent Director serves as Independent Director in more than 7 listed companies.

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 unpublished 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 / Committee Meetings. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the next meeting.

A. COMMITTEES OF THE BOARD:

1. Audit Committee

The Board of Directors has duly constituted the 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, and majority of the members of the Committee are Independent Directors including the Chairman of the Committee.

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 31st March, 2020, 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. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background. The partners/authorised representatives of Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee, as and when required.

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 30th May, 2019, 14th August, 2019, 13th November, 2019 and 14th February, 2020.

The composition of the Committee and the number of meetings attended by each member during the year ended 31st March, 2020 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. Corporate Social Responsibility (CSR) Committee:

Pursuant to the provisions of Section 135 of Companies Act, 2013, the Board of Directors has duly constituted the Corporate Social Responsibility (CSR) Committee.

2.1. Terms of reference:

The broad terms of reference of the Corporate Social Responsibility Committee, inter-alia, are:

- formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- recommend the amount of expenditure to be incurred on the activities referred to in clause; and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

2.2. Composition of Committee:

As on 31st March, 2020, the Committee comprised of Mr. Prasannakumar B. Gawde as the Chairman of the Committee and Mr. Jagdeep Y. Mehta and Mr. Vipul P. Shah as its members.

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

2.3. Meeting and attendance during the year

During the year under review, 2 (two) meetings of the CSR Committee were held on 13th November, 2019 and 14th February, 2020.

The composition of the Committee and the number of meetings attended by each member during the year ended 31st March, 2020 is as under:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	2	2
Mr. Jagdeep Y. Mehta	Member	2	2
Mr. Vipul P. Shah	Member	2	2

3. 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 appointment and 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.

3.1. Terms of reference:

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

- i) To formulate 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.
- 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
- 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.

3.2. Composition:

As on 31st March, 2020, 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.

3.3. Meetings and attendance during the year

During the year under review, the Nomination and Remuneration Committee met 3 (three) times on 30th May, 2019, 14th August, 2019 and 14th February, 2020.

The composition of the Committee and number of meetings attended by each member during the year ended 31st March, 2020 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. Megha S. Bhati	Member	3	3

3.4 Performance Evaluation Criteria for Independent Directors:

Pursuant to the provisions of 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 and fulfilment of the independence criteria as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management. 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.

3.5 REMUNERATION OF DIRECTORS:

- (1) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2019-2020.
- (2) The Non-Executive Directors are 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.

- (3) Details of remuneration and sitting fees paid to the Directors:

Details of remuneration/sitting fees paid during the year 2019-20 and number of shares held as on 31st March, 2020 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	69,02,500	-	-	-	69,02,500	9,26,100
Dr. Shiv Nath Sahai	8,40,000	10,000	-	-	8,50,000	-
Mr. Jagdeep Y. Mehta	-	-	-	88,000	88,000	-
Mr. Prasannakumar B. Gawde	-	-	-	1,08,000	1,08,000	-
Mrs. Megha S. Bhati	-	-	-	50,000	50,000	-

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, except sitting fees for attending board and committee meetings.
3. The company has not entered into service contracts with directors and there is no severance fees payment.

4. 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.

4.1 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. In addition, the terms of reference of this committee includes as provided under provisions of Regulation 19 and Schedule II Part D (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.2 Composition

As on 31st March, 2020, the Committee comprised of Mr. Prasannakumar B. Gawde as Chairman of the Committee, Dr. Shiv Nath Sahai and Mr. Vipul P. Shah as its members.

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

4.3 Meeting and Attendance during the year

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times on 30th May, 2019, 14th August, 2019, 13th November, 2019 and 14th February, 2020.

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. Yogita Mundhra, Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee.

4.4 Status of Investor complaints:

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

4.5 Name and Address of the Compliance Officer:

Ms. Yogita Mundhra, Company Secretary and Compliance Officer

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. 400 053.

B. 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
2018-19	30 th September, 2019	3:15 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2018-19	30 th September, 2019 (Meeting of the Equity Shareholders convened pursuant to the order of the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai)	4:30 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2017-18	27 th 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 th September, 2017	3.30 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.

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

Date of Meetings	Particulars of Special Resolution
30 th September, 2019	1) Re-appointment of Mr. Vipul P. Shah (DIN:00181636) as Managing Director of the Company. 2) To re-appoint Dr. Shiv Nath Sahai (DIN:00332652) as Whole Time Director of the Company. 3) To consider and approve VOL Employee Stock Option Scheme 2019 of the Company.
27 th September, 2018	1) Revision in the remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company w.e.f. 1 st 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 of the Company w.e.f. 1 st October, 2018 to 30 th September, 2019. 5) Re-appointment of Mr. Prasannakumar B. Gawde as an Independent Director for five consecutive years from 1 st April, 2019 to 31 st March, 2024. 6) Re-appointment of Mr. Jagdeep Y. Mehta as an Independent Director for five consecutive years from 1 st April, 2019 to 31 st March, 2024. 7) Re-appointment of Mrs. Trupti H. Shah as an Independent Director for five consecutive years from 1 st June, 2019 to 31 st 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.

Date of Meetings	Particulars of Special Resolution
29 th September, 2017	1) Re-appointment of Dr. Shiv Nath Sahai as Whole-Time Director of the Company w.e.f. 1 st October, 2017 to 30 th September, 2018. 2) Revision in remuneration payable to Dr. Shiv Nath Sahai, Whole-Time Director and CFO w.e.f. 1 st 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 st 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.
30 th September, 2019 (Meeting of the equity shareholder of the company convened pursuant to the order of the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai)	1) Approval to the Scheme of Amalgamation under Sections 230 – 232 of the Company between Efferchem Private Limited ('Transferor Company') and Vipul Organics Limited ('Transferee Company') and their respective shareholders.

Postal Ballot:

During the year 2019-20, 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.

C. 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 Publication
Business Standard (English- All India edition) Mumbai Lakshadweep (Marathi)	30.05.2019	01.06.2019 and 02.06.2019
	14.08.2019	16.08.2019
	13.11.2019	15.11.2019
	14.02.2019	16.02.2019

1.2 Website: The Company's website www.vipulorganics.com contains a separate dedicated 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 News releases, presentations, among others: During the year, the Company has not made any presentation to Institutional Investors and Analysts. However, the Company had participated in "One Connect" investor/analyst conference on 3rd March, 2020, no format presentation was made by the Company.

All Corporate Announcements made to Stock Exchanges during the year 2019-20 are available on the website of the Company.

D. GENERAL INFORMATION FOR SHAREHOLDERS:**1.1 Annual General Meeting for the financial year 2019-20:**

Day : Wednesday
 Date : 30th September, 2020
 Time : 9:30a.m.
 Venue : Through Video Conferencing

1.2 Financial Year: 1st April to 31st March**1.3 Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).

1.4 Cut-off date for voting rights:

The voting rights of the shareholders shall be reckoned on the equity shares held by them as on the cut-off date i.e. Wednesday, 23rd September, 2020. Remote voting shall remain open from Sunday, 27th September, 2020 at 09.00 a.m. and end on Tuesday, 29th September, 2020 at 05.00 p.m.

1.5 Dividend Payment Date: Credit/ Dispatch between 8th October, 2020 to 14th October, 2020.**1.6 Listing on Stock Exchanges:**

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

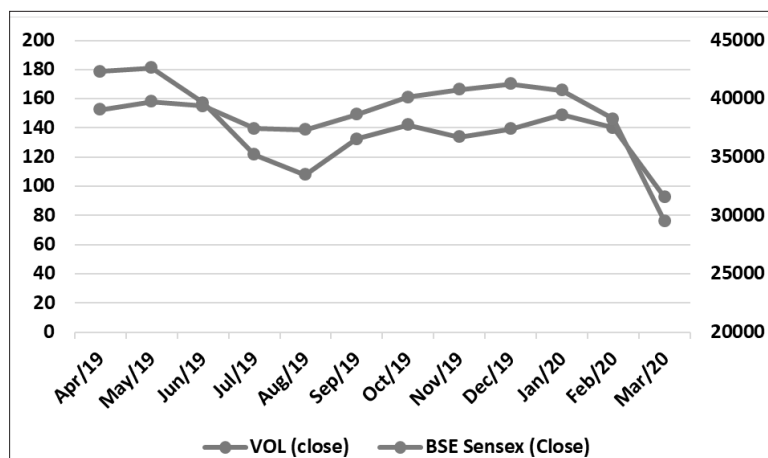
Listing Fees: The Company has paid the necessary listing fees of the BSE Limited for the year 2019-20.

1.7 Stock Code: BSE: 530627**1.8 ISIN:** INE834D01018**1.9 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-19	194.00	170.00	39487.45	38460.25
May-19	191.00	159.50	40124.96	36956.10
June-19	189.90	135.00	40312.07	38870.96
July-19	165.00	117.15	40032.41	37128.26
August-19	130.00	97.50	37807.55	36102.35
September-19	142.50	103.00	39441.12	35987.80
October-19	150.00	121.55	40392.22	37415.83
November-19	153.00	130.20	41163.79	40014.23
December-19	149.00	125.00	41809.96	40135.37
January-20	162.00	130.00	42273.87	40476.55
February-20	161.90	131.00	41709.30	38219.97
March-20	172.85	80.00	39083.17	25638.90

* Source: www.bseindia.com

1.10 Performance of Vipul Organics Limited share price in comparison to BSE Sensex (Based on closing Price) for the financial year ended 31st March, 2020:


1.11 Trading of Securities: The securities of the Company were not suspended from trading during the year 2019-20.

1.12 Registrar and Share Transfer Agents:

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

1.13 Share Transfer System:

With effect from 1st April, 2019, SEBI has mandated that, no share can be transferred in physical mode, except in case of transmission or transposition of the share. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised.

1.14 The Distribution of Shareholding as at 31st March, 2020:

Slab of Shares Holding (in Rs.)		Shareholders	Percentage (%)	Amount (Rs.)	Percentage (%)
From	To				
1	500	2074	84.34	2855990	03.70
501	1000	153	06.22	1299900	01.68
1001	2000	82	03.33	1310890	01.70
2001	3000	32	01.30	835980	01.08
3001	4000	12	00.49	434000	00.56
4001	5000	18	00.73	833670	01.08
5001	10000	26	01.06	2001630	02.59
10001	and above	62	02.53	67672940	87.61
TOTAL		2459	100.00	77245000	100.00

1.15 Dematerialization of shares and liquidity:

As on 31st March, 2020 about 97.94% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.

1.16 Convertible Instrument:

The Company has not issued any American Depositary Receipts (ADRs)/ Global Depositary Receipts (GDRs), warrants or any convertible instruments during the financial year ended 31st March, 2020.

1.17 Commodity price risk or foreign exchange risk or hedging activities:

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

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

1.18 Plant locations:

Plot No. 11, Survey No. 35,
Diwan & Sons Industrial Estate,
Village Aliyali, Palghar (West),
Dist. Thane – 401 404, Maharashtra

Plot No. A/14, MIDC,
A.M.P. Road, Ambernath (West),
Dist. Thane – 421 501, Maharashtra

Plot No. T-115, MIDC Industrial Area,
Tarapur, Village Pam, Boiser (West),
Dist. Palghar- 401 506 Maharashtra

Address for investor correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of Address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

Bigshare Services Pvt. Ltd.**Unit: Vipul Organics Limited**

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai 400059, 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

1.19 Details of credit rating obtained by the entity along with revisions (if any):

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions			
		Scale	Amount (INR million)	Ratings	Facilities Rated from
1	India Ratings and Research Private Limited	Term Loan	85.00	IND BB+/ Stable	Axis Bank
		Fund based working capital limit	135.00	IND BB+/ Stable/ IND A4+	
		Total	220.00		
		Fund based working capital limit	120.00	IND BB+/ Stable/ IND A4+	Vijaya Bank
		Non-Fund based working capital limit	31.50	IND A4+	
		Total	151.50		

E. 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 31st March, 2020 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 Exchange, 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 Exchange, 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 2019-20, no employee was denied access to the Audit Committee.

iv. Policy for determining "material" subsidiaries:

As on 31st March, 2020, 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.

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. Adoption of mandatory and non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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

viii. Compliance of the requirements of Corporate Governance Report

During the year 2019-20, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Obligations and Disclosure Requirements) Regulations, 2015 during the year 2019-20, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 unmodified audit opinion on financial statements.
- (b) Separate posts of Chairman and CEO
The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditor
The Internal 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 has been hosted on the website of the company at www.vipulorganics.com.

A confirmation from the Managing Director 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 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 Practicing Company Secretaries under Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements), 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/s. M Baldeva Associates, Company Secretaries, Thane 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 31st March, 2020. 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 2019-20, 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, wherever required.

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 Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Vipul P. Shah, Managing Director of the Company do hereby confirm and declare that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March, 2020.

For Vipul Organics Limited

Place : Mumbai
Date : 21st August, 2020

Vipul P. Shah
Managing Director
DIN:00181636

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE
CORPORATE GOVERNANCE**

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 31st March 2020, 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 31st March 2020. 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 : 21st August, 2020
UDIN : 20040087AAAAHH4239

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**[Pursuant to Regulation 34(3) and Schedule V Part C Sub-clause 10(i) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To
The Members of
Vipul Organics Limited
102, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai 400053.

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of **Vipul Organics Limited** (CIN: L24110MH1972PLC015857), having registered office at 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai 400053 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of initial appointment in Company
1.	Mr. Vipul P. Shah	00181636	21.06.1992
2.	Dr. Shiv Nath Sahai	00332652	10.12.1993
3.	Mr. Jagdeep Mehta	00332523	15.12.2005
4.	Mr. Prasannakumar B. Gawde	01456510	31.03.2008
5.	Mrs. Megha Bhati	08278063	14.11.2018

Ensuring the eligibility for the appointment / continuity of every director on the Board is responsibility of the management of the Company. My responsibility is to express an opinion on the based on my verification. This certificate 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

UDIN:F006180B000602380

Place : Thane
Date : 21st August, 2020

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, 2020 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 31st March 2020, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 33 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: 31st July, 2020
UDIN: 20040087AAAAGF7931

**“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, 2020 :

- 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. We were not in a position to physically attend the inventory verification which was planned at the year end due to shut down of its plant following the nationwide lockdown imposed by the Govt. of India in view of the Covid 19 Pandemic. Consequently, we have conducted alternative analytical review procedures including roll forward procedures and relied on other internal controls for drawing comfort on the inventory as reported in the financial statements as the year end.
- 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 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, 2020 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 followings:-

Name of the statute/ dues	Amount (in '000)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	55	A.Y. 2002-03	Income Tax Appellant Tribunal, Mumbai
Income Tax Act, 1961	316	A.Y. 2011-12	Commissioner of Income Tax–Appeals, Mumbai
Income Tax Act, 1961	21714	A.Y. 2015-16	Commissioner of Income Tax–Appeals, 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: 31st July, 2020
UDIN: 20040087AAAAGF7931

**“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, 2020 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, 2020, 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: 31st July, 2020

BALANCE SHEET AS AT 31st MARCH ,2020

		(Rs. In `000s)	
	Note No.	31st March,2020	31st March,2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	3,16,057	58,928
Intangible Assets	4	1,617	2,106
Capital work-in-progress	4	1,489	1,65,500
Investment in Subsidiaries	5	11,255	11,255
Other Investment-Financial Asset	5	5,591	7,599
Other non-current assets	6	34,669	50,029
		3,70,678	2,95,417
Current Assets			
Inventories	7	1,60,765	84,071
<u>Financial assets</u>			
Trade receivables	8	2,38,763	2,02,767
Cash and Cash equivalents	9	41,688	16,028
Other bank balances	10	8,940	12,923
Other Financial assets	11	30,557	30,000
Other current assets	12	1,02,034	94,661
		5,82,748	4,40,450
TOTAL		9,53,426	7,35,868
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	77,245	77,245
Other Equity	14	2,44,385	2,06,365
Equity attributable to owners of the company		3,21,630	2,83,610
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	70,692	73,640
Non Current provisions	16	264	264
Deferred tax liabilities (Net)	17	6,186	852
		77,142	74,756
Current Liabilities			
Financial Liabilities			
Borrowings	18	1,24,266	1,06,515
Trade payables	19		
Total Outstanding Dues -Micro and small enterprises		34,897	23,893
Trade payables		3,25,876	1,83,204
Other Financial liabilities	20	42,520	38,711
Other current liabilities	21	18,992	10,459
Short-term provisions	22	8,103	14,719
		5,54,654	3,77,501
TOTAL		9,53,426	7,35,868

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 : 31st July,2020
For and on behalf of the Board of Directors
Vipul Organics Limited
Vipul P. Shah
Managing Director
Din:00181636
Yogita Mundra
Company Secretary & Compliance Officer
Membership No.: A57436
Mihir V. Shah
Whole Time Director
Din:05126125

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MAR,2020

		(Rs. In `000s)	
	Note No.	31 st March,2020	31 st March,2019
I. Revenue from operations	23	9,29,694	9,04,287
II. Other income	24	10,020	4,397
III. Total Revenue (I + II)		9,39,714	9,08,685
IV. Expenses:			
Cost of materials consumed	25	3,03,773	2,12,021
Purchases of Stock-in-Trade	25	3,91,793	4,45,866
Changes in Inventories of Stock-in-Trade	26	(54,502)	4,879
Employee benefits expense	27	46,778	32,958
Finance costs	28	8,990	10,878
Depreciation	29	19,924	6,130
Other Expenses	30	1,54,290	1,45,712
Total expenses		8,71,047	8,58,444
V. Profit before tax (III-IV)		68,668	50,241
VI. Tax expense:			
(1) Current tax	31	16,997	15,600
(2) Deferred tax		5,582	(583)
Total Tax expense		22,579	15,017
VII. Profit for the year (V-VI)		46,089	35,223
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligations		(888)	153
Income tax relating to above items that will not be reclassified to profit or loss		269	(43)
Other comprehensive income/(loss) net of tax		(619)	110
IX. Total comprehensive income net of tax (VII+VIII)		45,470	35,334
X			
Earnings per equity share:	32		
(1) Basic		5.89	4.57
(2) Diluted		5.89	4.57
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 : 31st July,2020

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

Vipul P. Shah
Managing Director
Din:00181636

Mihir V. Shah
Whole Time Director
Din:05126125

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	(Rs. In `000s)	
	31 st March,2020	31 st March,2019
A. Cash Flow from Operating Activities:		
Profit Before Tax	68,668	50,241
Adjustments for:		
Depreciation and Amortisation	19,924	6,130
Finance Cost	8,990	10,878
Dividend Income	(196)	(155)
Gain on fair value of financial asset	2,008	1,205
Interest Income	(712)	(4,160)
Sundry Balance written back	-	(82)
Bad Debts written off	-	292
Other comprehensive income	(888)	(149)
	<u>29,126</u>	<u>13,958</u>
Operating Profit Before Working Capital Changes	97,794	64,199
(Increase) / Decrease in Inventories	(76,624)	3,889
(Increase) / Decrease in Trade receivables	(35,986)	78,449
(Increase) / Decrease in Other Financial assets	3,425	(10,155)
(Increase) / Decrease in Other Current assets	(7,652)	1,724
(Increase) / Decrease in Other Non Current assets	15,360	23,258
(Decrease) / Increase in Trade payables	1,53,676	(27,778)
(Decrease) / Increase in Other financial liabilities	3,917	23,341
(Decrease) / Increase in Other current liabilities	8,533	4,070
	<u>64,650</u>	<u>96,800</u>
Cash Generated from Operations	1,62,444	1,60,998
Direct Taxes Paid (including TDS) Net	(23,613)	(12,228)
Net Cash Flow from Operating Activities -	A <u>1,38,831</u>	<u>1,48,771</u>
B. Cash Flow from Investing Activities:		
Sale/ (Purchase) of Tangible ,Intangible Assets and Capital Work in Progress	(1,12,554)	(1,16,919)
Dividend Income	196	155
Interest Income	712	4,160
Net Cash used in Investing Activities -	B <u>(1,11,646)</u>	<u>(1,12,604)</u>

		(Rs. In `000s)	
Particulars		31 st March,2020	31 st March,2019
C. Cash Flow from Financing Activities:			
(Decrease) / Increase in long term Borrowings (net)		(2,948)	56,406
(Decrease) / Increase in Short term Borrowings (net)		17,751	(59,700)
Dividend Paid		(7,338)	(7,287)
Interest Paid		(8,990)	(10,878)
Net Cash from Financing Activities	- C	(1,525)	(21,458)
Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C		25,660	14,707
Cash and Cash Equivalents as at the end of the year:			
- Cash & Balances in Current Accounts with Banks		41,688	16,028
Less: Cash and Cash Equivalents as at the beginning of the year		16,028	1,321
Net Increase / (Decrease) in Cash and Cash Equivalents		25,660	14,707
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 : 31st July,2020

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

Vipul P. Shah
Managing Director
 Din:00181636

Mihir V. Shah
Whole Time Director
 Din:05126125

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2020

(Rs. In `000s)

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

	31 st March, 2020		31 st March, 2019	
	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	77,24,500	77,245
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	77,24,500	77,245	77,24,500	77,245

b. Other Equity

	Reserves and Surplus					Total
	Securities premium	Capital Reserve	General reserve	Retained Earnings	Other Comprehensive Income	
Balance at 01 April 2018	96,978	6,278	9,010	66,162	-	1,78,428
Profit for the year	-	-	-	35,334	110	35,444
Addition / reduction during the year	-	-	-	(7,507)	-	(7,507)
Balance at 31 March 2019	96,978	6,278	9,010	93,989	110	2,06,365
Profit for the year	-	-	-	46,089	-	46,089
Addition / reduction during the year	-	-	-	(7,450)	(619)	(8,069)
Balance at 31 March 2020	96,978	6,278	9,010	1,32,628	(508)	2,44,385

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Mumbai
Dated : 31st July, 2020

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

Vipul P. Shah
Managing Director
Din:00181636

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

Mihir V. Shah
Whole Time Director
Din:05126125

Notes to the financial statements for the year ended 31st March,2020

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, 2020 were considered by the Board of Directors and approved for issuance on 31st July , 2020.

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.

Notes to the financial statements for the year ended 31st March, 2020

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

2.1. Revenue recognition

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

2.2. Impairment of investments in subsidiaries

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

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 31st March,2020**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 31st March, 2020**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 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 31st March, 2020**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**Till 31st March, 2019**

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.

Notes to the financial statements for the year ended 31st March, 2020

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.

With effective from April 1, 2019:

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. Short-term leases and leases of low-value assets - The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

Notes to the financial statements for the year ended 31st March, 2020**Current tax**

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

Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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

Notes to the financial statements for the year ended 31st March, 2020

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. Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

3.18. 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.

3.19. 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 31st March, 2020

4. Property, plant and equipment

(Rs. In '000s)

	Gross Block				Accumulated depreciation / amortisation				Net block	
	As at April 01, 2019	Additions during the year	Deletion during the year	Translation adjustments	As at March 30, 2020	As at April 01, 2019	Additions during the year	Deletion during the year	Translation adjustments	As at March 30, 2020
A Property, plant and equipment										
Factory Land	27,019	1,272	-	-	28,291	-	-	-	-	27,019
Factory Building	4,974	1,04,103	-	-	1,09,076	1,354	2,418	-	-	3,620
Plant & Machinery	33,775	1,64,175	-	-	1,97,949	11,311	14,164	-	-	22,464
Furniture & Fixtures	3,936	4,303	-	-	8,238	2,222	727	-	-	1,714
Motor Car/Vehicles	5,470	489	701	-	5,258	3,682	641	645	-	1,788
Office Equipment	1,383	1,590	-	-	2,973	871	458	-	-	512
Computer	2,246	619	-	-	2,865	808	938	-	-	1,438
Office Building	435	-	-	-	435	61	18	-	-	375
Total A	79,237	2,76,550	701	-	3,55,086	20,309	19,365	645	-	58,928
B Capital work-in-progress										
	1,65,500	1,03,237	2,67,247	-	1,489	-	-	-	-	1,65,500
Total B	1,65,500	1,03,237	2,67,247	-	1,489	-	-	-	-	1,65,500
C Intangible Assets										
Software	2,134	70	-	-	2,204	27	559	-	-	2,106
Total C	2,134	70	-	-	2,204	27	559	-	-	2,106
										1,617
										1,617

Some assets of which the company is beneficial owner are pending for transfer in the name of the company. Refer note 15 & 18 for assets provided as security.

Notes to the financial statements for the year ended 31st March, 2020

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	Translation adjustments	As at March 31, 2019	As at April 01, 2018	Additions during the year	Deletion during the year	Translation adjustments	As at March 31, 2019
A										
Property, plant and equipment										
Factory Land	27,019	-	-	-	27,019	-	-	-	-	27,019
Factory Building	4,974	-	-	-	4,974	953	401	-	1,354	3,620
Plant & Machinery	32,838	937	-	-	33,775	7,569	3,742	-	11,311	22,464
Furniture & Fixtures	3,716	220	-	-	3,936	1,686	536	-	2,222	1,714
Electrical Installation	-	-	-	-	-	-	-	-	-	-
Lab Equipment	-	-	-	-	-	-	-	-	-	-
Vehicles	5,407	63	-	-	5,470	2,874	809	-	3,682	1,788
Office Equipment	1,243	201	61	-	1,383	589	298	16	871	512
Computer	822	1,424	-	-	2,246	510	298	-	808	1,438
Office Building	435	-	-	-	435	41	19,19	-	61	375
Total A	76,453	2,844.77	61	-	79,237	14,221.60	6,103	16	20,309	58,928
B										
Capital work-in-progress	51,733	1,13,767	-	-	1,65,500	-	-	-	-	1,65,500
Total B	51,733	1,13,767	-	-	1,65,500	-	-	-	-	1,65,500
C										
Intangible Assets										
Software	-	2,134	-	-	2,134	-	27	-	27	2,106
Total C	-	2,134	-	-	2,134	-	27	-	27	2,106
D										
Intangible assets under development										
Software development	1,826	307	2,134	-	-	-	-	-	-	1,826
Total D	1,826	307	2,134	-	-	-	-	-	-	1,826

Notes to the financial statements for the year ended 31st March, 2020

		(Rs. In `000s)	
		31 st March, 2020	31 st March, 2019
5. Non-current Investments:			
Investment in Subsidiaries			
(Fully Paid Up, Carried At Cost)			
(a) Investments in Equity Instruments			
Investments in Equity Shares of Subsidiaries:			
Equity Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted)		255	255
2550 (Prev.Yr. 2550) Equity Shares of Rs.100 each.			
(b) Investments in Preference Shares :			
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
Total		11,255	11,255
Non-Current Investments:			
(a) Investments in Equity Instruments			
Equity Shares (Quoted & carried at fair value through Profit & loss)		5,549	7,557
(b) Investments in Government Securities :			
Government Securities (Unquoted at cost)		1	1
(Deposited with Government authorities)			
(c) Investments in Debentures:			
Debentures (at Cost)		41	41
Total		5,591	7,599

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

(Rs. In `000s)				
	As at			
	31 st March, 2020		31 st March, 2019	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	20	1,000	91
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	7	100	13
Arvind Fashion Ltd (200 (prev Yr 200) Equity shares Fully paid of Rs.4 Each)	200	29	200	209
The Anup engg Ltd (37 (prev Yr Nil)Equity shares Fully paid of Rs.10 Each)	37	12	37	21
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	106	2,500	317

Notes to the financial statements for the year ended 31st March, 2020

(Rs. In `000s)				
	As at			
	31 st March, 2020		31 st March, 2019	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	22	8,400	95
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev. Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	33	895	93
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	3	1,000	11
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	53	1,250	91
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	135	500	248
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	22	346	37
Navin Flourine International Ltd.(1730 (Prev.Yr. 1730) Equity shares Fully paid of Rs.2 Each)	1,730	2,118	1,730	1,230
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	1,316	20,000	2,943
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	251	500	343
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	110	3,000	108
Petronet LNG Ltd.(6000 (Prev.Yr. 6000) Equity shares Fully paid of Rs.10 Each)	6,000	1,199	6,000	1,503
Standard Industries Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	94	9,900	152
Bank of Baroda Ltd.(402 Equity shares fully Paid Rs. 2/- ,Prev year 1000 shares Vijaya bank Fully paid of Rs.10 Each)	402	22	402	52
		5,549		7,557

(Rs. In `000s)

	31 st March, 2020	31 st March, 2019
6. Other Non Current Assets		
(Unsecured and considered good)		
Capital Advances-Related (Refer note 37)	20,475	20,475
Capital Advances-Others	736	14,052
Deposits with Government Authorities and Others (Refer note 37 & 43)	13,458	13,268
Loans and advances to related parties		
- Subsidiaries (Refer Note 37)	-	2,234
Total	34,669	50,029

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
7. Inventories		
(At cost or net realisable value whichever is lower)		
(a) Raw materials & Others	47,153	24,961
(b) Finished goods	1,13,612	59,110
Total	1,60,765	84,071
8. Trade receivables (Unsecured)		
Considered Good		
Overdue Trade Receivables	9,707	5,411
Trade Receivables	2,29,056	1,97,356
Total	2,38,763	2,02,767
The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are non-interest bearing.		
9. Cash and Cash equivalents:		
Balances with Scheduled Bank:		
In Current Account	39,866	14,183
In EEFC Account	157	1,203
Cash in Hand	1,664	642
Total	41,688	16,028
10. Other bank balances		
Earmarked Balance		
Unpaid Dividend Account	1,372	1,471
In Fixed deposit	7,569	11,451
Total	8,940	12,923
11. Other Financial assets		
Deposit to Related parties (refer Note no 37)	30,000	30,000
Financial Asset liability on account of derivatives	557	-
Total	30,557	30,000

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
12. Other current assets:		
(Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 37)	20,483	13,932
Loans and advances to Employees	33	428
Prepaid Expenses	275	903
Balance with Government Authorities		
GST	39,863	47,896
MVAT Refund	2,461	3,175
Service Tax	290	552
Advances recoverable in cash or kind or for value to be received		
Export Incentive	13,573	18,598
Advance to Suppliers	11,778	9,173
Claim Receivable (Refer note 45)	9,415	-
Others/Income tax	3,863	4
Total	1,02,034	94,661

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

	31st March, 2020		31st March, 2019	
	No of shares	Amount	No of shares	Amount
<u>Authorised Share Capital:</u>				
Equity shares of Rs.10 each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
<u>Issued, Subscribed and Fully Paid-up Shares:</u>				
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.

	31st March, 2020		31st March, 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at beginning of the year	77,24,500	77,245	77,24,500	77,245
Issued During the Year	-	-	-	-
Balance as at End of Year	77,24,500	77,245	77,24,500	77,245

Notes to the financial statements for the year ended 31st March, 2020

c) Terms / rights attached to equity shares

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

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

During the year ended March 31, 2020, the amount of per share dividend recognised as Rs 0.80 (March 31, 2019 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 st March, 2020		31 st March, 2019	
	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%	9,33,150	12.08%
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%
	39,09,350	50.61%	39,09,350	50.61%

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 st March, 2020	31 st March, 2019
14. Other Equity			
Capital Reserve		6,278	6,278
Securities Premium		96,978	96,978
General Reserve		9,010	9,010
Retained Earnings		1,32,628	93,989
Other reserves-Accumulated other comprehensive income		(508)	110
	Total	2,44,385	2,06,365
Reserves and surplus:			
14.1. Capital Reserve			
Balance at beginning of year		6,278	6,278
Balance at end of year		6,278	6,278

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
14.2. Securities Premium Account:		
Balance at beginning of year	96,978	96,978
Add /Less: Premium on Issue Of Equity Shares	-	-
Balance at end of year	96,978	96,978
14.3. General Reserve		
Balance at beginning of year	9,010	9,010
Balance at end of year	9,010	9,010
14.4. Retained Earnings		
Balance at beginning of year	93,989	66,162
Add: Profit after Tax for the year	46,089	35,334
Less: Appropriations:		
Tax Adjustments & Others	-	(69)
Dividend - Final	(6,180)	(6,180)
Corporate Dividend Tax thereon	(1,270)	(1,258)
Balance at end of year	1,32,628	93,989
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	-	1,258
14.5. Other reserves-Accumulated other comprehensive income		
Balance at beginning of year	110	-
Other comprehensive income	(619)	110
Balance at end of year	(508)	110
15. Long term borrowings:		
<u>Secured Loans</u>		
Term Loan from Bank		
Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore	70,692	73,640
(refer note 20 -Current Maturity of long term Loan)	Total	70,692
		73,640

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

Rs. 89892('000) (Previous Year Rs.86852 ('000)) secured by hypothecation of movable fixed assets and Factory Building at Tarapore wherein in Term loan for Rs 900 Lakhs principal payable in equal monthly installment of Rs. 11.70 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 % & 9.60% . 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 basis with Vijaya Bank. Along with personal guarantee of Mr. Vipul Shah & Mr. Mihir Shah.

Notes to the financial statements for the year ended 31st March,2020

		(Rs. In `000s)	
		31 st March,2020	31 st March,2019
16. Non Current Provision			
Provision for Gratuity		264	264
Total		264	264
17. Deferred Tax Liabilities			
Major components of deferred tax are:			
Related to Property ,Plant & Equipment		6,595	912
Others		(409)	(61)
Net Deferred Tax Liability		6,186	852
18. Short-term borrowings:			
Loans repayable on demand			
From banks			
Secured		1,24,266	1,06,515
Total		1,24,266	1,06,515

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.
- Also covered in personal guarantee of Vipul Shah & corporate gaurantee of M/s. 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 .

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
19. Trade payables		
Total Outstanding Dues -Micro and small enterprises	34,897	23,893
Total Outstanding Dues -Other than micro & small enterprises **	3,25,876	1,74,044
Acceptances	-	9,160
Total	3,60,773	2,07,097
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	34,897	23,893
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.	585	138
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.	585	138
20. Other Financial Liabilities:		
Creditors for Fixed Assets & Provision for Expenses	21,898	20,599
Current Maturity of long term	19,200	13,213
Unclaimed Dividend	1,372	1,471
Financial liability on account of derivatives	-	1,878
Deposit from Dealers	50	1,550
Total	42,520	38,711
21. Other current liabilities:		
Advance from Customers	15,291	7,295
Duties & taxes	3,701	3,165
Total	18,992	10,459
22. Short-term provisions:		
Provision for Tax	8,103	14,719
Total	8,103	14,719

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
23. Revenue from operations		
Export sales	7,45,893	7,19,490
Local sales	1,58,659	1,60,712
Export incentives	25,142	24,085
(Dyestuff , Organic Pigments and Intermediates)		
Total	9,29,694	9,04,287
24. Other income:		
Interest on Deposit with Banks & Others	712	1,366
Interest on Security Deposit-IND AS	-	2,794
Dividend on Investments	196	155
Exchange Gain/Loss	8,825	-
Gain/(Loss on sale of asset	287	-
Misc. Income /Sundry Balance written back	-	82
Total	10,020	4,397
25. a) Cost of materials consumed		
(Chemicals & Others)		
Opening Stock	24,961	23,971
Add: Purchases	3,25,097	2,13,011
Less: Closing Stock	46,286	24,961
Total	3,03,773	2,12,021
b) Purchases of Stock-in-Trade		
Dyestuff , Organic Pigments and Intermediates	3,91,793	4,45,866
Total	3,91,793	4,45,866
26. Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Dyestuff , Organic Pigments and Intermediates	1,13,612	59,110
Sub-total (A)	1,13,612	59,110
Inventories at the beginning of the year		
Dyestuff , Organic Pigments and Intermediates	59,110	63,989
Sub-Total (B)	59,110	63,989
(A) -(B)	(54,502)	4,879
27. Employee benefits expense:		
Salaries, Wages, Bonus and Gratuity	44,856	32,093
Employees' Welfare Expenses	1,922	865
Total	46,778	32,958

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
28. Finance costs:		
Bank Interest	7,715	9,395
Bank Charges-Processing Fees	1,275	1,435
Other Interest	-	48
Total	8,990	10,878
29. Depreciation		
Depreciation Expenses(Refer note no 4)	19,924	6,130
Total	19,924	6,130
30. Other Expenses		
Power and Fuel	20,702	19,556
Factory Rent	5,525	7,552
Factory Expenses	5,207	5,193
Labour & Transport	29,015	23,866
Repairs & Maintenance	8,179	6,627
Packing Material	9,816	8,775
Export Clearing ,Freight & Forwarding	16,341	12,477
Professional & Legal Charges	11,363	9,824
Travelling Expenses	10,007	6,279
Insurance Charges	5,959	3,965
Rent ,Rates & Electricity	4,816	4,244
Donation /Corporate Social Responsibility Expense (Refer note no 46)	2,066	1,288
Auditors Remuneration (Refer note no 34)	573	514
Exchange Gain /Loss	-	4,079
Commission	6,075	4,939
Fair Value Loss/(Gain) on Financial Assets	2,008	1,205
Loss on sales of assets	-	4
Miscellaneous/ Office Expenses	16,136	15,963
Bad Debts	-	292
Business Promotion (Net of Subsidy for Foreign Product registration)	501	9,070
Total	1,54,290	1,45,712

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
31. 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	68,668	50,241
Weighted average enacted tax rates in India	27.82%	27.82%
Computed tax expense	19,103	13,977
<u>Tax effect of:</u>		
Deduction under Chapter VI A	287	179
Exemption of profit link incentives	(269)	(395)
Other exempt income	(55)	(43)
Previous year tax / Others-Interest	2,953	964
Fair Value Gain on Financial Assets	559	335
Actual Tax Expense	22,579	15,017
Current Tax	16,997	15,600
Deferred tax	5,582	(583)
Tax expense reported in the statement of profit and loss	22,579	15,017

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) dated 20 September, 2019 the Company has decided to continue to follow the tax rates which were applicable prior to the Ordinance for the year ended 31 March 2020.

32. 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.	45,470	35,334
Weighted Average number of shares outstanding during the year - (B)	Nos.	77,24,500	77,24,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs.	5.89	4.57

Notes to the financial statements for the year ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
33. Contingent liabilities and Commitments:		
(i) Contingent Liabilities		
(a) Income tax matters not acknowledged as debt	22085	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.)		
Total	22440	726
(ii) Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1500	1000
Total	1500	1000
34. Payments to Auditors for the year		
Auditors' Remuneration & Expenses		
(a) As Auditors	425	424
(b) Certification and Other matters	148	90
Total	573	514
35. 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.		

36. Derivative Instruments and Unhedge Foreign Currency exposure

Derivative Outstanding as at the Reporting date

	As on 31st March, 2020		As on 31st March, 2019	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	600	45,234	1,300	91,447

 Above derivative instrument have been acquired for hedging purpose
 Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

	As on 31st March, 2020		As on 31st March, 2019	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
Trade receivable	USD '000	2,233	1,009	70,067
	EURO '000	21		
Trade payables & borrowings		849	1,052	73,000

Notes to the financial statements for the year ended 31st March, 2020

37. 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. Megha Satyendra Bhati

c) Relatives of KMP

Smt. Jaya P. Shah

V. P. Shah HUF

Mrs. Mita V. Shah

Mr. Mihir V. Shah

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

Jayshree Chemicals

Efferchem Pvt Ltd

Amar Trading Corporation

Standardcon Pvt.Ltd.

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2020

(Rs. In `000s)

Nature of transaction	Year	Subsidiary	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2019-2020	15,286	-	300	37,157
	2018-2019	7,697	-	432	63,562
Sale/Services/Interest	2019-2020	8,520	-	-	8,987
	2018-2019	3,740	-	-	20,164
Mangerial Remuneration / Salary/Sitting Fees	2019-2020	-	7,999	3,680	-
	2018-2019	-	6,893	3,258	-
Balance Receivable/(Payable)	31/03/2020	3,355	(245)	20,356	44,706
	31/03/2019	2,234	(154)	20,246	48,374

38. Financial Instruments - Accounting Classifications and Fair Value Measurements

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

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

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

Notes to the financial statements for the year ended 31st March, 2020

(Rs. In `000s)

A	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
	Financial assets					
	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	12,923	12,923	-	-	-
	Other Financial Assets	30,000	30,000	-	-	-
	Total	2,80,572	2,73,015	7,557	-	-
	Financial liabilities					
	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	-
	Total	4,25,963	4,24,085	-	1,878	-

(Rs. In `000s)

B	As at March 31, 2020	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	Financial assets					
	Non-current Investments	16,846	11,297	5,549	-	-
	Trade Receivables	2,38,763	2,38,763	-	-	-
	Cash and cash equivalents	41,688	41,688	-	-	-
	Other bank balances	8,940	8,940	-	-	-
	Other Financial Assets	30,557	30,557	-	-	-
	Total	3,36,794	3,31,245	5,549	-	-
	Financial liabilities					
	Other non-current financial liability	70,692	70,692	-	-	-
	Trade and other payables	3,60,773	3,60,773	-	-	-
	Other current financial liabilities	1,66,786	1,66,786	-	-	-
	Total	5,98,250	5,98,250	-	-	-

During the reporting period ending 31 March 2020 and 31 March 2019, there was no transfer between level 2 and level 3 fair value measurements.

Notes to the financial statements for the year ended 31st March,2020

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.

39. 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.

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 st March,2020	31 st March,2019
Considered Good		
0-12 Months	2,29,056	1,97,356
More Than 1 year	9,707	5,411
Carrying Amount of receivable	2,38,763	2,02,767

Notes to the financial statements for the year ended 31st March, 2020

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

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

Cash & Cash Equivalents

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

ii) Liquidity risk

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

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

Financial Liabilities	As at 31 st March, 2019		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	73,640	73,640
Trade and other payables	1,83,204	-	1,83,204
Other current financial liabilities	1,45,226	-	1,45,226
Total Financial Liabilities	3,28,430	73,640	4,02,070

Financial Liabilities	As at 31 st March, 2020		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	70,692	70,692
Trade and other payables	3,60,773	-	3,60,773
Other current financial liabilities	1,66,786	-	1,66,786
Total Financial Liabilities	5,27,559	70,692	5,98,250

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 instruemtns. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

Notes to the financial statements for the year ended 31st March, 2020

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.

Foreign currency exposure	Currency	31 st March, 2020	31 st March, 2019
Trade receivables & Advance	USD in '000	2,833	2,309
Net exposure to foreign currency risk (assets)		2,833	2,309
Trade payables	USD in '000	411	108
Current Borrowings	USD in '000	141	387
Other financial liabilities	USD in '000	-	53
Net exposure to foreign currency risk (liabilities)	USD in '000	552	549
Rupee Conversion Rate		75	69.41

Foreign currency sensitivity

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

Foreign currency	31 st March, 2020		31 st March, 2019	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	8,599	(8,599)	6,111	(6,111)
Increase / (decrease) in profit and loss	8,599	(8,599)	6,111	(6,111)

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.

Notes to the financial statements for the year ended 31st March, 2020

Exposure to interest rate risk

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

	31 st March, 2020	31 st March, 2019
Current Borrowings		
Variable rate borrowings	1,43,466	1,19,727
	1,43,466	1,19,727

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 st March, 2020		31 st March, 2019	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(717)	717	(599)	599
Increase / (decrease) in profit and loss	(717)	717	(599)	599

40. 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.

	31 st March, 2020	31 st March, 2019
Borrowings (long-term and short-term borrowings including current maturities)	2,14,158	1,93,367
Cash & Cash Equivalent including Other current financial asset	81,186	58,951
Adjusted net debt	1,32,972	1,34,416
Total Equity	3,21,630	2,83,610
Adjusted net debt to equity ratio	0.41	0.47

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

Indian Subsidiary	Percentage of ownership Interest as on	
	31 st March, 2020	31 st March, 2019
Shri Ambika Naturals Private Ltd	56.04%	56.04%

Notes to the financial statements for the year ended 31st March, 2020

- 42.** 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, 2020 (Previous Year Rs. 0.80 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.
- 43.** 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.
- 44.** 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.

45. Claim Receivable

Claim Receivable includes claim of Rs. 54.01 lakhs lodged with the Insurance Company on account of damage due to flooding at Ambernath factory which is under under process and management does not see any loss on account of under insurance or otherwise.

46. Corporate Social Responsibility Expense	31st March, 2020
<i>Amount required to be spent during the year</i>	
Corporate Social Responsibility Expense	730
<i>Amount spent during the year (paid in cash)</i>	
i) Acquisition /construction of any asset	-
ii) Purpose other than above (i)	750
<i>Amount spent during the year (yet to be paid in cash)</i>	
i) Acquisition /construction of any asset	-
ii) Purpose other than above (i)	-
	750

The Company is liable from financial year 2019-2020 to mandatorily spend under provisions of Corporate Social Responsibility under the Companies Act ,2013.

- 47.** Impact of COVID-19: The Companies operations were impacted during the last week of March 2020 due to shutdown of its plants following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic. The Companies plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible. The Company has evaluated the impact of this pandemic on its business operations, financial position and based on its review of current indicators, there is no significant impact on the Companies assets, capital and financial resources, profitability parameters, liquidity position, supply chain or demand for its products for the periods ended March 31, 2020. However, the impact assessment of COVID-19 is a continual process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Company will continue to closely monitor any material changes from those estimated as on the date of adoption of this financial results.

Notes to the financial statements for the year ended 31st March, 2020

- 48.** The Board/ Shareholders has approved a proposed Scheme of Amalgamation of Efferchem Private Limited with Vipul Organics Limited and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013, subject to obtaining various statutory approvals. Pursuant to the Scheme becoming effective, the shareholders of Efferchem Private Limited will be allotted 1825000 equity shares of the facevalue of ₹. 10 each fully paid-up in Vipul Organics Limited.
- 49.** 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 : 31st July, 2020

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

Vipul P. Shah
Managing Director
Din:00181636

Mihir V. Shah
Whole Time Director
Din:05126125

Yogita Mundra
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 31st March, 2020 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 31st March 2020, 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.12459/-('000) as at March 31, 2020, total revenue of Rs. 14124/- ('000) and net cash inflow amounting to Rs. 271/-('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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 33 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 : 31st July, 2020
UDIN : 20040087AAAAGF7931

“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 31st March, 2020 :

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 31st March, 2020 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, 2020, 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 : 31st July, 2020
UDIN : 20040087AAAAGF7931

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH ,2020

(Rs. In `000s)

	Note No.	31 st March,2020	31 st March,2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	317,934	61,031
Intangible Assets	4	1,617	2,106
Capital work-in-progress	4	1,489	165,500
Other Investment-Financial Asset	5	5,591	7,599
Other non-current assets	6	34,727	47,843
		361,358	284,079
Current Assets			
Inventories	7	164,647	87,510
Financial assets			
Trade receivables	8	240,190	207,560
Cash and Cash equivalents	9	42,312	16,381
Other bank balances	10	8,940	12,888
Other Financial assets	11	30,446	30,035
Other current assets	12	103,269	94,753
		589,806	449,127
TOTAL		951,164	733,206
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	77,245	77,245
Other Equity	14	242,219	204,121
Equity attributable to owners of the company		319,464	281,366
Non Controlling Interest		(1,364)	(1,425)
Total equity		318,100	279,941
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	70,692	73,640
Non Current provisions	16	264	264
Deferred tax liabilities (Net)	17	5,058	(120)
		76,014	73,785
Current Liabilities			
Financial Liabilities			
Borrowings	18	124,266	106,515
Trade payables	19		
Total Outstanding Dues -Micro and small enterprises		35,083	23,893
Trade payables		327,848	184,780
Other Financial liabilities	20	42,520	38,711
Other current liabilities	21	19,186	10,831
Short-term provisions	22	8,148	14,750
		557,051	379,481
TOTAL		951,164	733,206

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 : 31st July,2020

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

Vipul P. Shah
Managing Director
Din:00181636

Mihir V. Shah
Whole Time Director
Din:05126125

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

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

(Rs. In `000s)

	Note No.	31 st March,2020	31 st March,2019
I. Revenue from operations	23	9,22,480	9,00,142
II. Other income	24	10,020	4,397
III. Total Revenue (I + II)		9,32,500	9,04,539
IV. Expenses:			
Cost of materials consumed	25	2,94,306	2,08,062
Purchases of Stock-in-Trade	25	3,91,793	4,44,059
Changes in Inventories of Stock-in-Trade	26	(55,860)	3,744
Employee benefits expense	27	48,511	34,137
Finance costs	28	8,990	10,878
Depreciation	29	20,149	6,387
Other Expenses	30	1,55,851	1,46,984
Total expenses		8,63,740	8,54,251
V. Profit before tax (III-IV)		68,760	50,288
VI. Tax expense:			
(1) Current tax	31	16,997	15,600
(2) Deferred tax		5,536	(609)
Total Tax expense		22,533	14,991
VII. Profit for the year (V-VI)		46,227	35,297
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(888)	153
Income tax relating to above items that will not be reclassified to profit or loss		269	(43)
Other comprehensive income/(loss) net of tax		(619)	110
Attributable to:			
Owners of the Company		(619)	110
Non Controlling Interest		-	-
IX. Total comprehensive income net of tax (VII+VIII)		45,609	35,409
Attributable to:			
Owners of the Company		45,548	35,376
Non Controlling Interest		61	33
X. Earnings per equity share:	32		
(1) Basic		5.90	4.58
(2) Diluted		5.90	4.58

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 : 31st July,2020

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 Managing Director
 Din:00181636

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

 Mihir V. Shah
 Whole Time Director
 Din:05126125

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	(Rs. In `000s)	
Particulars	31 st March, 2020	31 st March, 2019
A. Cash Flow from Operating Activities:		
Profit Before Tax	68,760	50,288
Adjustments for:		
Depreciation and Amortisation	20,149	6,387
Finance Cost	8,990	10,878
Dividend Income	(196)	(155)
Gain on fair value of financial asset	2,008	1,205
Interest Income	(712)	(4,160)
Sundry Balance written back	-	(82)
Bad Debts written off	-	292
Other comprehensive income	(888)	(148)
	<u>29,351</u>	<u>14,216</u>
Operating Profit Before Working Capital Changes	98,111	64,504
(Increase) / Decrease in Inventories	(77,137)	2,038
(Increase) / Decrease in Trade receivables	(32,630)	78,440
(Increase) / Decrease in Other Financial assets	3,537	(10,155)
(Increase) / Decrease in Other Current assets	(8,517)	1,879
(Increase) / Decrease in Other Non Current assets	13,117	23,700
(Decrease) / Increase in Trade payables	1,53,973	(26,523)
(Decrease) / Increase in Other financial liabilities	3,908	23,228
(Decrease) / Increase in Other current liabilities	8,355	4,313
	<u>64,604</u>	<u>96,919</u>
Cash Generated from Operations	1,62,715	1,61,423
Direct Taxes Paid (including TDS) Net	(23,613)	(12,228)
Net Cash Flow from Operating Activities -	A <u>1,39,102</u>	<u>1,49,196</u>
B. Cash Flow from Investing Activities:		
Sale/ (Purchase) of Tangible ,Intangible Assets and Capital Work in Progress	(1,12,554)	(1,17,221)
Dividend Income	196	155
Interest Income	712	4,160
Net Cash used in Investing Activities -	B <u>(1,11,646)</u>	<u>(1,12,906)</u>

(Rs. In `000s)

Particulars	31 st March, 2020	31 st March, 2019
C. Cash Flow from Financing Activities:		
(Decrease) / Increase in long term Borrowings (net)	(2,948)	56,406
(Decrease) / Increase in Short term Borrowings (net)	17,751	(59,700)
Dividend Paid	(7,338)	(7,287)
Interest Paid	(8,990)	(10,878)
Net Cash from Financing Activities -	(1,525)	(21,459)
Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C	25,931	14,830
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks	42,312	16,381
Less: Cash and Cash Equivalents as at the beginning of the year	16,381	1,551
Net Increase / (Decrease) in Cash and Cash Equivalents	25,931	14,830

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 : 31st July, 2020

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

Vipul P. Shah
Managing Director
Din:00181636

Mihir V. Shah
Whole Time Director
Din:05126125

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2020**a. Equity shares of INR 10 each issued, subscribed and fully paid**

(Rs. In `000s)

	31 st March, 2020		31 st March, 2019	
	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	77,24,500	77,245
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	77,24,500	77,245	77,24,500	77,245

b. Other Equity

	Reserves and Surplus					Total
	Securities premium	Capital Reserve	General & Consolidation Reserve	Retained Earnings	Other Comprehensive Income	
Balance at 01st April, 2018	96,978	6,278	9,058	63,938	-	1,76,252
Profit for the year	-	-	-	35,265	110	35,376
Addition / reduction during the year	-	-	-	(7,507)	-	(7,507)
Balance at 31st March, 2019	96,978	6,278	9,058	91,697	110	2,04,121
Profit for the year	-	-	-	46,166	-	46,166
Addition / reduction during the year	-	-	-	(7,450)	(619)	(8,069)
Balance at 31st March, 2020	96,978	6,278	9,058	1,30,414	(508)	2,42,219

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Mumbai
Dated : 31st July, 2020

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

Vipul P. Shah
Managing Director
Din:00181636

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

Mihir V. Shah
Whole Time Director
Din:05126125

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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 consolidated financial statements for the year ended March 31, 2020 were considered by the Board of Directors and approved for issuance on 31st July, 2020.

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 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. Basis for Consolidation & Principles for Consolidation

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

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

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are de consolidated from the date the control ceases.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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 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 consolidated 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 consolidated 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 consolidated 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 31st March, 2020**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.

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.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020**3.5. Financial instruments****Financial assets**

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

Initial recognition and measurement

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

Classification and subsequent measurement

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

Financial assets amortised at cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

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

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

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

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020**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 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.”

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

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020**3.8. Foreign currencies**

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

3.9. Borrowing Cost

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

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

3.10. Leases**Till 31st March, 2019**

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.

With effective from April 1, 2019:

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. Short-term leases and leases of low-value assets- The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.11. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020**3.12. Employee benefits**

Short-term obligations

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

Post-employment obligations

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

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

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

3.13. Income Taxes

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

Current tax

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

Deferred Tax

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

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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.

3.17. Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.”

3.18. 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.

3.19. 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 Consolidated financial statements for the Year Ended 31st March, 2020

4. Property, plant and equipment

(Rs. In '000s)

		Gross Block				Accumulated depreciation / amortisation				Net block	
		As at April 01, 2019	Additions during the year	Deletion during the year	Transla-tion ad-justments	As at March 31, 2020	As at April 01, 2019	Additions during the year	Deletion during the year	Transla-tion ad-justments	As at March 31, 2020
A	Property, plant and equipment										
	Factory Land	27,039	1,272	-	-	28,311	-	-	-	-	28,311
	Factory Building	5,249	1,04,103	-	-	1,09,352	1,414	2,434	-	-	1,05,504
	Plant & Machinery	36,435	1,64,175	-	-	2,00,610	12,105	14,373	-	-	1,74,131
	Furniture & Fixtures	3,936	4,303	-	-	8,238	2,222	727	-	-	5,289
	Motor Car/Vehicles	5,470	489	701	-	5,258	3,682	641	645	-	1,580
	Office Equipment	1,383	1,590	-	-	2,973	871	458	-	-	1,644
	Computer	2,246	619	-	-	2,865	808	938	-	-	1,119
	Office Building	435	-	-	-	435	61	18	-	-	356
	Total A	82,193	2,76,550	701	-	3,58,043	21,163	19,591	645	-	3,17,934
B	Capital work-in-progress	1,65,500	1,03,237	2,67,247	-	1,489	-	-	-	-	1,489
	Total B	1,65,500	1,03,237	2,67,247	-	1,489	-	-	-	-	1,489
C	Intangible Assets										
	Software	2,134	70	-	-	2,204	27	559	-	-	1,617
	Total C	2,134	70	-	-	2,204	27	559	-	-	1,617

Some assets of which the company is beneficial owner are pending for transfer in the name of the company. Refer note 15 & 18 for assets provided as security.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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	Transla-tion ad-justments	As at March 31, 2019	As at April 01, 2018	Additions during the year	Deletion during the year	Transla-tion ad-justments	As at March 31, 2019
A										
Property, plant and equipment										
Factory Land	27,039	-	-	-	27,039	-	-	-	-	27,039
Factory Building	5,249	-	-	-	5,249	996	418	-	-	4,254
Plant & Machinery	35,196	1,239	-	-	36,435	8,123	3,982	-	-	27,073
Furniture & Fixtures	3,716	220	-	-	3,936	1,686	536	-	-	2,030
Electrical Installation	-	-	-	-	-	-	-	-	-	-
Lab Equipment	-	-	-	-	-	-	-	-	-	-
Vehicles	5,407	63	-	-	5,470	2,874	809	-	-	2,533
Office Equipment	1,243	201	61	-	1,383	589	298	16	-	654
Computer	822	1,424	-	-	2,246	510	298	-	-	312
Office Building	435	-	-	-	435	41	19,19	-	-	394
Total A	79,107	3,146.69	61	-	82,193	14,818.57	6,360	16	-	61,031
B										
Capital work-in-progress	51,733	1,13,767	-	-	1,65,500	-	-	-	-	51,733
Total B	51,733	1,13,767	-	-	1,65,500	-	-	-	-	1,65,500
C										
Intangible Assets										
Software	-	2,134	-	-	2,134	-	27	-	-	2,106
Total C	-	2,134	-	-	2,134	-	27	-	-	2,106
D										
Intangible assets under development										
Software development	1,826	307	2,134	-	-	-	-	-	-	1,826
Total D	1,826	307	2,134	-	-	-	-	-	-	-

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

(Rs. In `000s)

	31 st March, 2020	31 st March, 2019
5. Non-current Investments:		
(a) Investments in Equity Instruments		
Equity Shares (Quoted & carried at fair value through Profit & loss)	5,549	7,557
(b) Investments in Government Securities :		
Government Securities (Unquoted at cost)	1	1
(Deposited with Government authorities)		
(c) Investments in Debentures:		
Debentures (at Cost)	41	41
Total	5,591	7,599

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

(Rs. In `000s)

	As at			
	31 st March, 2020		31 st March, 2019	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	20	1,000	91
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	7	100	13
Arvind Fashion Ltd (200 (prev Yr 200) Equity shares Fully paid of Rs.4 Each)	200	29	200	209
The Anup engg Ltd (37 (prev Yr Nil)Equity shares Fully paid of Rs.10 Each)	37	12	37	21
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	106	2,500	317
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	22	8,400	95
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	33	895	93
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	3	1,000	11
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	53	1,250	91
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	135	500	248
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	22	346	37
Navin Flourine International Ltd.(1730 (Prev. Yr. 1730) Equity shares Fully paid of Rs.2 Each)	1,730	2,118	1,730	1,230
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	1,316	20,000	2,943

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

(Rs. In `000s)

	As at			
	31 st March, 2020		31 st March, 2019	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	251	500	343
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	110	3,000	108
Petronet LNG Ltd.(6000 (Prev.Yr. 6000) Equity shares Fully paid of Rs.10 Each)	6,000	1,199	6,000	1,503
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	94	9,900	152
Bank of Baroda Ltd.(402 Equity shares fully Paid Rs. 2/- ,Prev year 1000 shares Vijaya bank Fully paid of Rs.10 Each)	402	22	402	52
		5,549		7,557

(Rs. In `000s)

31st March, 2020 31st March, 2019
6. Other Non Current Assets**(Unsecured and considered good)**

Capital Advances-Related (Refer note 37)	20,475	20,475
Capital Advances-Others	736	14,052
Deposits with Government Authorities and Others (Refer note 37 & 43)	13,516	13,317
Total	34,727	47,843

(Rs. In `000s)

31st March, 2020 31st March, 2019
7. Inventories

(At cost or net realisable value whichever is lower)

(a) Raw materials & Others	48,543	27,266
(b) Finished goods	1,16,105	60,245
Total	1,64,647	87,510

8. Trade receivables (Unsecured)

Considered Good

Overdue Trade Receivables	14,490	10,193
Trade Receivables	2,25,701	1,97,367
Total	2,40,190	2,07,560

The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are non-interest bearing.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
9. Cash and Cash equivalents:		
Balances with Scheduled Bank:		
In Current Account	40,427	14,479
In EEFC Account	157	1,203
Cash in Hand	1,728	699
Total	42,312	16,381
10. Other bank balances		
Earmarked Balance		
Unpaid Dividend Account	1,372	1,471
In Fixed deposit	7,569	11,416
Total	8,940	12,888
11. Other Financial assets		
Deposit to Related parties (refer Note no 37)	30,000	30,000
Financial Asset liability on account of derivatives	446	35
Total	30,446	30,035
12. Other current assets:		
(Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 37)	20,483	13,932
Loans and advances to Employees	53	428
Prepaid Expenses	275	903
Balance with Government Authorities		
GST	40,973	47,896
MVAT Refund	2,467	3,181
Service Tax	290	552
Advances recoverable in cash or kind or for value to be received		
Export Incentive	13,573	18,599
Advance to Suppliers	11,779	9,173
Claim Receivable (Refer note 45)	9,415	-
Others/Income tax	3,961	89
Total	1,03,269	94,753

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020
13. Equity Share capital:

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

a) Equity Share capital

	31 st March, 2020		31 st March, 2019	
	No of shares	Amount	No of shares	Amount
Authorised Share Capital:				
Equity shares of Rs.10 each	1,00,00,000	1,00,000	1,00,00,000	1,00,000
Issued, Subscribed and Fully Paid-up Shares:				
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 st March, 2020		31 st March, 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at beginning of the year	77,24,500	77,245	77,24,500	77,245
Issued During the Year	-	-	-	-
Balance as at End of Year	77,24,500	77,245	77,24,500	77,245

c) Terms / rights attached to equity shares

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

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

During the year ended March 31, 2020, the amount of per share dividend recognised as Rs 0.80 (March 31, 2019 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 st March, 2020		31 st March, 2019	
	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%	9,33,150	12.08%
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%
	39,09,350	50.61%	39,09,350	50.61%

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

- 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)	
	31st March, 2020	31st March, 2019
14. Other Equity		
Capital Reserve	6,278	6,278
Securities Premium	96,978	96,978
General Reserve	9,010	9,010
Consolidation Reserve	48	48
Retained Earnings	1,30,414	91,697
Other reserves-Accumulated other comprehensive income	(508)	110
Total	2,42,219	2,04,121
Reserves and surplus:		
14.1. Capital Reserve		
Balance at beginning of year	6,278	6,278
Balance at end of year	6,278	6,278
14.2. Securities Premium Account:		
Balance at beginning of year	96,978	96,978
Add /Less: Premiun on Issue Of Equity Shares	-	-
Balance at end of year	96,978	96,978
14.3. General Reserve		
Balance at beginning of year	9,010	9,010
Balance at end of year	9,010	9,010
14.4. Retained Earnings		
Balance at beginning of year	91,697	63,938
Add: Profit after Tax for the year	46,166	35,265
Less: Appropriations:		
Tax Adjustments & Others	-	(69)
Dividend - Final	(6,180)	(6,180)
Corporate Dividend Tax thereon	(1,270)	(1,258)
Balance at end of year	1,30,414	91,697

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
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

14.5. Other reserves-Accumulated other comprehensive income

Balance at beginning of year	110	-
Other comprehensive income	(619)	110
Balance at end of year	(508)	110

15. Long term borrowings:
Secured Loans
Term Loan from Bank

Loan from Bank Against Vehicles	-	-
Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapore	70,692	73,640
(refer note 20 -Current Matuirty of long term Loan)		
Total	70,692	73,640

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

Rs. 89892 ('000) (Previous Year Rs.86852 ('000)) secured by hypothecation of movable fixed assets and Factory Building at Tarapore wherein in Term loan for Rs 900 Lakhs principal payable in equal monthly installment of Rs. 11.70 Lakhs over period of 78 months after inital moratorium period of 6 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 9.85 % & 9.60% . 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 basis with Vijaya Bank. Along with personal guarantee of Mr. Vipul Shah & Mr. Mihir Shah.

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
16. Non Current Provision		
Provision for Gratuity	264	264
Total	264	264

17. Deferred Tax Liabilities

Major components of deferred tax are:

Related to Property ,Plant & Equipment	6,786	1,156
Business Loss	(1,318)	(1,215)
Others	(409)	(61)
Net Deferred Tax Liability	5,058	(120)

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

	(Rs. In `000s)	
	31 st March, 2020	31 st March, 2019
18. Short-term borrowings:		
Loans repayable on demand		
From banks		
Secured	1,24,266	1,06,515
Total	1,24,266	1,06,515

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.
- Also covered in personal guarantee of Vipul Shah & corporate gaurantee of M/s. 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 st March, 2020	31 st March, 2019
19. Trade payables		
Total Outstanding Dues -Micro and small enterprises	35,083	23,893
Total Outstanding Dues -Other than micro & small enterprises **	3,27,848	1,75,620
Acceptances	-	9,160
Total	3,62,931	2,08,673

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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	35,083	23,893
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.	223	138
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.	223	138

(Rs. In `000s)

	31st March, 2020	31st March, 2019
20. Other Financial Liabilities:		
Creditors for Fixed Assets & Provision for Expenses	21,898	20,599
Current Maturity of long term	19,200	13,213
Unclaimed Dividend	1,372	1,471
Financial liability on account of derivatives	-	1,878
Deposit from Dealers	50	1,550
Total	42,520	38,711
21. Other current liabilities:		
Advance from Customers	15,291	7,574
Duties & taxes	3,895	3,257
Total	19,186	10,831
22. Short-term provisions:		
Provision for Tax	8,148	14,750
Total	8,148	14,750

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
23. Revenue from operations		
Export sales	7,45,893	7,19,490
Local sales	1,51,445	1,56,567
Export incentives (Dyestuff , Organic Pigments and Intermediates)	25,142	24,085
Total	9,22,480	9,00,142
24. Other income:		
Interest on Deposit with Banks & Others	712	1,366
Interest on Security Deposit-IND AS	-	2,794
Dividend on Investments	196	155
Exchange Gain/Loss	8,825	-
Gain/(Loss on sale of asset	287	-
Misc. Income /Sundry Balance written back	-	82
Total	10,020	4,397
25. a) Cost of materials consumed (Chemicals & Others)		
Opening Stock	27,266	25,559
Add: Purchases	3,14,715	2,09,769
Less: Closing Stock	47,675	27,266
Total	2,94,306	2,08,062
b) Purchases of Stock-in-Trade		
Dyestuff , Organic Pigments and Intermediates	3,91,793	4,44,059
Total	3,91,793	4,44,059
26. Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Dyestuff , Organic Pigments and Intermediates	1,16,105	60,245
Sub-total (A)	1,16,105	60,245
Inventories at the beginning of the year		
Dyestuff , Organic Pigments and Intermediates	60,245	63,989
Sub-Total (B)	60,245	63,989
(A) -(B)	(55,860)	3,744

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

		(Rs. In `000s)	
		31 st March, 2020	31 st March, 2019
27. Employee benefits expense:			
Salaries, Wages, Bonus and Gratuity		46,567	33,246
Employees' Welfare Expenses		1,945	890
Total		48,511	34,137
28. Finance costs:			
Bank Interest		7,715	9,395
Bank Charges-Processing Fees		1,275	1,435
Other Interest		-	48
Total		8,990	10,878
29. Depreciation			
Depreciation Expenses(Refer note no 4)		20,149	6,387
Total		20,149	6,387
30. Other Expenses			
Power and Fuel		21,688	20,325
Factory Rent		5,525	7,552
Factory Expenses		5,282	5,193
Labour & Transport		29,108	23,925
Repairs & Maintenance		8,291	6,734
Packing Material		9,853	8,775
Export Clearing ,Freight & Forwarding		16,341	12,477
Professional & Legal Charges		11,480	9,994
Travelling Expenses		10,019	6,315
Insurance Charges		5,994	3,986
Rent ,Rates & Electricity		4,862	4,268
Donation /Corporate Social Responsibility Expense (Refer note no 46)		2,066	1,288
Auditors Remuneration (Refer note no 34)		573	514
Exchange Gain /Loss		-	4,079
Commission		6,075	4,939
Fair Value Loss/(Gain) on Financial Assets		2,008	1,205
Loss on sales of assets		-	4
Miscellaneous/ Office Expenses		16,180	16,045
Bad Debts		-	292
Business Promotion (Net of Subsidy for Foreign Product registration)		507	9,075
Total		1,55,851	1,46,983

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

	(Rs. In `000s)	
	31st March, 2020	31st March, 2019
31. 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	68,760	50,288
Weighted average enacted tax rates in India	27.82%	27.82%
Computed tax expense	19,129	13,990
Tax effect of:		
Deduction under Chapter VI A	287	179
Exemption of profit link incentives	(266)	(412)
Other exempt income	(55)	(43)
Previous year tax / Others-Interest	2,878	941
Fair Value Gain on Financial Assets	559	335
Actual Tax Expense	22,533	14,991
Current Tax	16,997	15,600
Deferred tax	5,536	(609)
Tax expense reported in the statement of profit and loss	22,533	14,991

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) dated 20 September, 2019 the Company has decided to continue to follow the tax rates which were applicable prior to the Ordinance for the year ended 31st March, 2020.

32. Earnings per share:

The Numerators and denominators used to calculate Earnings per Share:

		31st March, 2020	31st March, 2019
Nominal Value of Equity Share (Rs.)	Rs.	10/-	10/-
Net Profit available for equity shareholders(Rs.In lacs) = (A)	Rs.	45,609	35,409
Weighted Average number of shares outstanding during the year - (B)	Nos.	77,24,500	77,24,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs.	5.90	4.58

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

		(Rs. In `000s)	
		31 st March, 2020	31 st March, 2019
33. Contingent liabilities and Commitments:			
(i) Contingent Liabilities			
(a) Income tax matters not acknowledged as debt	22085	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.)			
Total	22440	726	
(ii) Commitment			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1500	1000	
34. Payments to Auditors for the year			
Auditors' Remuneration & Expenses			
(a) As Auditors	425	424	
(b) Certification and Other matters	148	90	
Total	573	514	
35. 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.			

36. Derivative Instruments and Unhedge Foreign Currency exposure

Derivative Outstanding as at the Reporting date

	As on 31 st March, 2020		As on 31 st March, 2019	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	600	45,234	1,300	91,447

 Above derivative instrument have been acquired for hedging purpose
 Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

	As on 31 st March, 2020		As on 31 st March, 2019	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
Trade receivable	USD '000	2,233	1,68,338	1,009
	EURO '000	21	1,754	70,067
Trade payables & borrowings		849	63,979	1,052
				73,000

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

37. 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. Megha Satyendra Bhati
 Mr. R. L. Rathod

b) Relatives of KMP

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

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

Jayshree Chemicals
 Efferchem Pvt Ltd
 Amar Trading Corporation
 Standardcon Pvt.Ltd.

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2020

(Rs. In `000s)

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2019-2020	-	300	37,161
	2018-2019	-	432	63,573
Sale/Services/Interest	2019-2020	-	-	8,987
	2018-2019	-	-	13,438
Mangerial Remuneration /Salary/Sitting Fees	2019-2020	8,149	3,680	-
	2018-2019	7,043	3,258	-
Balance Receivable/(Payable)	31/03/2020	(333)	20,356	49,485
	31/03/2019	(242)	20,246	48,374

38. Financial Instruments - Accounting Classifications and Fair Value Measurements

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.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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.

(Rs. In `000s)

A	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
	Financial assets					
	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	-	-	-
	Total	2,74,463	2,66,906	7,557	-	-
	Financial liabilities					
	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	-
	Total	4,27,539	4,25,661	-	1,878	-

(Rs. In `000s)

B	As at March 31, 2020	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	Financial assets					
	Non-current Investments	5,591	42	5,549	-	-
	Trade Receivables	2,40,190	2,40,190	-	-	-
	Cash and cash equivalents	42,312	42,312	-	-	-
	Other bank balances	8,940	8,940	-	-	-
	Other Financial Assets	30,446	30,446	-	-	-
	Total	3,27,480	3,21,931	5,549	-	-
	Financial liabilities					
	Other non-current financial liability	70,692	70,692	-	-	-
	Trade and other payables	3,62,931	3,62,931	-	-	-
	Other current financial liabilities	1,66,786	1,66,786	-	-	-
	Total	6,00,408	6,00,408	-	-	-

During the reporting period ending 31 March 2020 and 31 March 2019, there was no transfer between level 2 and level 3 fair value measurements.

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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.

39. Financial risk management objectives and policies

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

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

The 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 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 st March, 2020	31 st March, 2019
Considered Good		
0-12 Months	2,25,701	1,97,367
More Than 1 year	14,490	10,193
Carrying Amount of receivable	2,40,190	2,07,560

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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.

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	As at 31 st March, 2019		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	73,640	73,640
Trade and other payables	1,84,780	-	1,84,780
Other current financial liabilities	1,45,226	-	1,45,226
Total Financial Liabilities	3,30,006	73,640	4,03,646

Financial Liabilities	As at 31 st March, 2020		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	70,692	70,692
Trade and other payables	3,62,931	-	3,62,931
Other current financial liabilities	1,66,786	-	1,66,786
Total Financial Liabilities	5,29,717	70,692	6,00,408

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 instruemtns. 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 excercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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.

Foreign currency exposure	Currency	31 st March, 2020	31 st March, 2019
Trade receivables & Advance	USD in '000	2,833	2,309
Net exposure to foreign currency risk (assets)		2,833	2,309
Trade payables	USD in '000	411	108
Current Borrowings	USD in '000	141	387
Other financial liabilities	USD in '000	-	53
Net exposure to foreign currency risk (liabilities)	USD in '000	552	549
Rupee Conversion Rate		75.39	69.41

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.

Foreign currency	31 st March, 2020		31 st March, 2019	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	8,599	(8,599)	6,111	(6,111)
Increase / (decrease) in profit and loss	8,599	(8,599)	6,111	(6,111)

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:

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

	31 st March, 2020	31 st March, 2019
Current Borrowings		
Variable rate borrowings	1,43,466	1,19,727
	1,43,466	1,19,727

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 st March, 2020		31 st March, 2019	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(717)	717	(599)	599
Increase / (decrease) in profit and loss	(717)	717	(599)	599

40. 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.

	31 st March, 2020	31 st March, 2019
Borrowings (long-term and short-term borrowings including current maturities)	2,14,158	1,93,367
Cash & Cash Equivalent including Other current financial asset	81,699	59,304
Adjusted net debt	1,32,459	1,34,063
Total Equity	3,19,464	2,81,366
Adjusted net debt to equity ratio	0.41	0.48

41. A) Business Combinations
i) Subsidiaries

The Group's subsidiaries as at March 31, 2020 and March 31, 2019 are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Indian Subsidiary-Shri Ambika Naturals Private Ltd	Principal activities	% of ownership Interest as on	
		31 st March, 2020	31 st March, 2019
Ownership interest held by the group	Manufacturing of	56.04	56.04
Proportion of ownership of Interest by non-controlling interests	Dyes stuff & Organic Intermediates.	43.96	43.96

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020
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.

Summarised Balance sheet	31st March, 2020	31st March, 2019
Shri Ambika Naturals Private Ltd		
Current assets	10,524	8,677
Current liabilities	5,752	4,214
Net current assets	4,772	4,463
Non Current assets	1,935	2,151
Non Current liabilities	(1,128)	(1,082)
Net non-current assets	3,063	3,233
Net assets	1,709	1,231
Accumulated NCI	(1,364)	(1,425)

Summarised Statement of Profit & Loss	31st March, 2020	31st March, 2019
Shri Ambika Naturals Private Ltd		
Revenue	14,125	6,539
Profit for the year	139	74
Other comprehensive income	-	-
Total Comprehensive income	139	74
Profit allocated to NCI	61	33

Summarised cash flows	31st March, 2020	31st March, 2019
Shri Ambika Naturals Private Ltd		
Cash flows from operating activities	271	425
Cash flows from investing activities	-	(302)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	271	123

iii) Transactions with non- controlling interests

There are no transaction with non controlling interest in FY 2019-20 and FY 2018-19

41. B) 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	2019-20	97.55%	3,11,630	99.70%	45,470
	2018-19	96.26%	2,73,670	101.06%	35,334

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

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
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	2019-20	2.45%	7,834	0.30%	139
	2018-19	3.74%	7,696	-1.06%	74
Total	2019-20	100.00%	3,19,464	100.00%	45,609
	2018-19	100.00%	2,81,366	100.00%	35,408

- 42.** The Board of Directors of the Holding Company has recommended a final dividend of Rs. 0.80 per equity share for the year ended March 31, 2020 (Previous Year Rs. 0.80 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.
- 43.** The Holding Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd(PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The 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.
- 44.** 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.
- 45. Claim Receivable**

Claim Receivable includes claim of Rs. 54.01 lakhs lodged with the Insurance Company on account of damage due to flooding at Ambarnath factory by holding Company which is under process and management does not see any loss on account of under insurance or otherwise.

46. Corporate Social Responsibility Expense-Holding Company	31st March, 2020
<i>Amount required to be spent during the year</i>	
Corporate Social Responsibility Expense	730
<i>Amount spent during the year (paid in cash)</i>	
i) Acquisition /construction of any asset	-
ii) Purpose other than above (i)	750
<i>Amount spent during the year (yet to be paid in cash)</i>	
i) Acquisition /construction of any asset	-
ii) Purpose other than above (i)	-
	750

- 47.** Impact of COVID-19: The Groups operations were impacted during the last week of March 2020 due to shutdown of its plants following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic. The Group Companies plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible. The Group has evaluated the impact of this pandemic on its business operations, financial position and based on its review of current indicators, there is no significant impact on the Groups assets, capital and financial resources, profitability parameters, liquidity position, supply chain or demand for its

Notes to the Consolidated financial statements for the Year Ended 31st March, 2020

products for the periods ended March 31, 2020. However, the impact assessment of COVID-19 is a continual process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Group will continue to closely monitor any material changes from those estimated as on the date of adoption of this financial results.

48. The Board/Shareholders has approved a proposed Scheme of Amalgamation of Efferchem Private Limited with Holding Vipul Organics Limited and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013, subject to obtaining various statutory approvals. Pursuant to the Scheme becoming effective, the shareholders of Efferchem Private Limited will be allotted 1825000 equity shares of the facevalue of ₹. 10 each fully paid-up in Vipul Organics Limited.
49. 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**

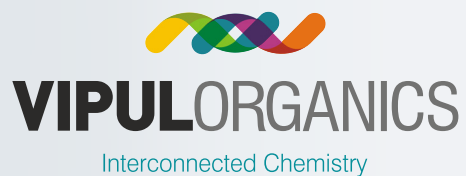
**Mumbai
Dated : 31st July, 2020**

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

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

**Mihir V. Shah
Whole Time Director
Din:05126125**

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



Vipul Organics Ltd.

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