

25th August, 2021

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 for the Financial Year 2020-21 along with the Notice of 49th 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 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith copy of the 49th Annual Report of the Company for the financial year 2020-21 along with the Notice of the 49th Annual General Meeting of the Company which is being sent only through electronic means to the members.

Further, please note that the 49th Annual General Meeting of the Company will be held on **Thursday, 16th September, 2021 at 10:30 am (IST)** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without physical presence of the Members at a common venue in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder read with General Circular Nos. 20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India.

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,

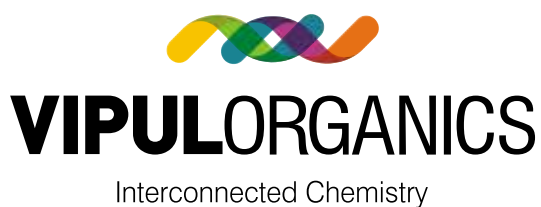
For Vipul Organics Limited



Kinjal Shah
Company Secretary & Compliance Officer
Membership No: A58678

Encl.: As above

Annual Report 2020-2021



Creating Colourful Ripples
across markets

BOARD OF DIRECTORS

Mr. Vipul P. Shah	(Managing Director)
Mr. Mihir V. Shah	(Whole-Time Director w.e.f. 1 st April, 2020) (Chief Financial Officer w.e.f. 15 th September, 2020)
Dr. Shiv Nath Sahai	(Non-Executive Director w.e.f. 1 st April, 2020)
Mr. Jagdeep Y. Mehta	(Independent Director)
Mr. Prasannakumar B. Gawde	(Independent Director)
Mrs. Megha S. Bhati	(Independent Director)

BANKERS

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

REGISTERED OFFICE

102, Andheri Industrial Estate,
 Off Veera Desai Road,
 Andheri (West), Mumbai – 400053
 Tel. No.: 022 - 66139999
 Fax No.: 022 – 66139977/75
 Email ID: companysecretary@vipulorganics.com
 Website: www.vipulorganics.com
 CIN: L24110MH1972PLC015857

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
 Website: www.bigshareonline.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Kinjal Shah (w.e.f 11th March, 2021)
 Ms. Yogita Mundhra (upto 10th March, 2021)

AUDITORS

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

SECRETARIAL AUDITORS

M/s. M Baldeva Associates
 Company Secretaries, Thane

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, Ambernath (West)
 Dist. Thane – 421501, Maharashtra

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

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NOTICE

Notice is hereby given that the Forty Ninth Annual General Meeting (49th AGM) of the members of **VIPUL ORGANICS LIMITED** (CIN: L24110MH1972PLC015857) will be held on Thursday, 16th September, 2021 at 10:30 a.m. (IST), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the Members at a common venue, to transact the business as set out in this notice. The proceedings of the 49th 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 49th 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, 2021 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, 2021 together with the report of Auditors' thereon and in this regard, if thought fit, pass the following resolutions as **ORDINARY RESOLUTIONS**:

- (a) **"RESOLVED THAT** the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2021 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, 2021 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 31st March, 2021 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 @ 9% (Re. 0.90 per share) on 95,49,500 Equity Shares of Rs. 10/- each of the Company for the financial year ended 31st March, 2021, be and is hereby declared out of the profits of financial year ended 31st March, 2021 and that the same be paid to those shareholders whose names appeared on the Company's Register of Members/ List of Beneficiaries as on Thursday, 9th September, 2021 and that the dividend be given to those shareholders who are entitled to receive the payment of the same."

3. To appoint a director in place of Mr. Mihir V. Shah (DIN: 05126125), 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. Mihir V. Shah (DIN: 05126125), Director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

SPECIAL BUSINESS:

4. To approve the revision in remuneration payable to Mr. Mihir V. Shah (DIN: 05126125), Whole Time Director & Chief Financial Officer 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 Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 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 and Board of Directors of the Company and subject to all other sanctions, approvals and permissions as may be required, the remuneration payable to Mr. Mihir V. Shah (DIN: 05126125), Whole-Time Director & Chief Financial Officer of the Company be and is hereby revised with effect from 1st April, 2021, for the remaining period of his current tenure as follows:

- (a) Salary: Rs. 5,40,000/- (Rupees Five Lakhs Forty Thousand Only) per month which includes-
- i) Basic - Rs. 2,70,000/-
 - ii) H.R.A. - Rs. 1,35,000/-
 - iii) Conveyance - Rs. 67,500/-
 - iv) Medical Allowance - Rs. 67,500/-
- (b) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary; and
- (c) The Company shall reimburse the expenses incurred by Whole Time Director for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures;

with the authority to the Board of Directors to revise the terms, on the recommendation of the Nomination & Remuneration Committee and approval of the Audit Committee of the Company, 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.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. 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, deeds, matters and things as may be necessary to give effect to the above resolution."

5. To approve the revision in remuneration payable to Mr. Vipul P. Shah (DIN: 00181636), Managing 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 Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 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 and Board of Directors of the Company and subject to all other sanctions, approval and permission as may be required, the remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company be and is hereby revised with effect from 1st April, 2021 for remaining period of his current tenure on following terms and conditions:

1. Remuneration payable:

- (a) Salary: Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) per month.
- (b) Perquisites: The Managing Director shall be entitled to the following perquisites in accordance with the Company's policies, practices and procedures over and above the salary:
- i) Company based accommodation or house rent allowance.
 - ii) Education allowance.
 - iii) Chauffeur driven Company car.
 - iv) Reimbursement of medical benefit incurred for self and family.
 - v) Leave travel allowance.
 - vi) Company's contribution to Keyman's Insurance Policy, Provident Fund.
 - vii) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.
2. Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

with the authority to the Board of Directors to revise the terms, on the recommendation of the Nomination & Remuneration Committee and approval of the Audit Committee of the Company, 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.

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

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

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

Kinjal Shah
Company Secretary and Compliance Officer
Membership No.: ACS 58678

Place: Mumbai
Date: 8th June, 2021

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 Ministry of Corporate Affairs (MCA) vide its General Circular No. 02/2021 dated 13th January, 2021 read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India vide its Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (collectively referred to as "SEBI Circulars") have permitted the holding of Annual General Meetings through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), without physical presence of the Members at a common venue. Thus, in compliance with applicable provisions of the Companies Act, 2013 ("Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA & SEBI Circulars, the forthcoming 49th AGM of the Company will be conducted through VC or OAVM without physical presence of members at a common venue. The Members can attend and participate in the ensuing 49th AGM through VC/OAVM. The Company has engaged services of Central Depository Services (India) Limited ("CDSL") for facilitating conducting of 49th AGM and voting through electronic means i.e. remote e-voting and e-voting during the 49th AGM.
2. In accordance with the Secretarial Standard - 2 on "General Meetings" issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance/Clarification dated 15th April, 2020 issued by the ICSI, the proceedings of the 49th 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. Keeping in view the guidelines to fight COVID-19 pandemic, the Members are requested to attend the 49th AGM from their respective locations through VC / OAVM and do not visit the registered office to attend the AGM.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at an 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. However, since this 49th 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 49th AGM; hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Sections 112 and 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 49th AGM through VC/OAVM and cast their votes through e-voting facilities.

4. The Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 ("the Act"), relating to special business to be transacted at the 49th AGM is annexed hereto and forms part of this notice. The Board of Directors of the Company have considered and decided to include the Item Nos. 4 and 5 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
5. Brief resume of directors recommended to be appointed / re-appointed or whose remuneration is proposed to be approved at the ensuing 49th AGM in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard – 2 on "General Meetings" is annexed to the Notice.
6. Institutional / Corporate members intending to represent through their authorized representatives in the 49th AGM through VC/OAVM and to vote through remote e-voting or e-voting during the 49th AGM are requested to send to the Company a certified copy of the board resolution authorizing 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 and to the Scrutinizer at manish@csmishb.in.
7. 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 49th AGM.
8. The Register of Directors' and Key Managerial Personnel and their Shareholdings, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Act and all documents referred to in the notice of 49th AGM, will be available for inspection online by the Members on request by sending an e-mail to companysecretary@vipulorganics.com.
9. Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books will remain closed from Friday, 10th September, 2021 to Thursday, 16th September, 2021 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing 49th Annual General Meeting.
10. The dividend on Equity shares as recommended by the Board of Directors for the financial year ended 31st March, 2021, if approved by the members at the ensuing 49th Annual General Meeting, will be paid to those members whose names shall appear in the Register of Members as on Thursday, 9th September, 2021; 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 electronic means due to non-availability of the details of the bank accounts, the Company will dispatch the dividend warrant/demand draft by post. However, in case of any disruption in the postal services due to pandemic or any other reasons, the same will be sent upon restoration of normalcy of postal services.
11. 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 Form 15G/Form 15H or any other documents as applicable, if any, in accordance with the provisions of the IT Act.
12. For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	10% 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 will be deducted on the dividend payable to a resident individual if the total dividend to be received by him during the Financial Year 2021-22 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 may be 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 applicable, if any, in accordance with the provisions of the IT Act.

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 or details as prescribed under rule 37BC of Income-tax Rules, 1962
- Copy of Tax Residency Certificate ("TRC") for the F.Y. 2021-22 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) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

The aforementioned documents are required to be submitted by sending email at companysecretary@vipulorganics.com before 23.59 hrs. (IST) on 9th September, 2021.

13. 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 or transposition and re-lodged transfer of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Therefore, members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
14. In terms of Schedule I of the SEBI Listing Regulations all listed companies are required 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.
15. The cut-off date for the payment of final dividend for the financial year 2020-21 and for the purpose of determining eligibility of members for e-voting in connection with the 49th AGM has been fixed as Thursday, 9th September, 2021. ("cut-off date").
16. Members whose shareholding is in electronic mode are requested to update any change in their address or bank account details to their respective Depository Participants (DP). Members holding shares in physical mode are requested

to advise any change in their address or bank account details to the Company or Bigshare Services Private Limited the Registrar and Share Transfer Agents ("RTA") of the Company, quoting their Folio Number.

17. The Company has transferred the unpaid or unclaimed dividend declared upto the financial year 2012-2013 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The unclaimed dividend in respect of the financial year ended 31st March, 2014 is due for transfer to the IEPF in month of November, 2021. The shareholders whose dividend remained unclaimed for the financial year 2013-14 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, 2021 under "Investor Relations" section on the website of the Company www.vipulorganics.com. The details of unpaid and unclaimed dividend amounts lying with the company 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 requires a company to transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more in DEMAT account of the IEPF Authority.

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 2012-13 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 via corporate action through Central Depository Services (India) Limited.

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 2013-14 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

18. Members can join the 49th 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 serve basis.
19. The attendance of the Members attending the 49th AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
20. 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 / RTA.
21. To comply with the provisions 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.

22. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the 49th AGM along with the Annual Report 2020-21 and instructions for e-voting are being sent through electronic mode only to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice, Annual Report 2020-21 and instructions for remote e-voting and e-voting 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.
23. 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.
24. Members holding shares in identical order of names in more than one folio are requested to send the share certificates to the Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company, for consolidation of all such shareholdings into one folio to facilitate better services.
25. Members are requested to forward their all communications to the RTA of the Company and are further requested to always quote their Folio Number /DP ID/ Client ID in all correspondences with the Company.
26. Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
27. To support the 'Green Initiative', members who have not registered their e-mail address so far are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants for receiving all communication including Annual Report, Circulars etc. from the Company electronically.
28. The shares of the Company are listed on BSE Limited. Listing fees for the financial year 2021-22 has been paid to the BSE Limited.
29. 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.
30. 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 49th Annual General Meeting ("AGM") dated 8th June, 2021. 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 e-voting 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 Monday, 13th September, 2021 at 09.00 a.m. and ends on Wednesday, 15th September, 2021 at 05.00 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, may cast their vote by "remote e-voting". The "remote e-voting" module shall be disabled by the CDSL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
 - (d) The voting rights of members/shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

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 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 existing user ID and password for casting the vote through e-voting. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.

- (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 2 working days from the conclusion of the e-voting period make a Scrutinizer's Report on 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 Limited, 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. Thursday, 16th September 2021.
- (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.

THE INSTRUCTIONS FOR THE SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING THE 49th AGM AND JOINING MEETING THROUGH VC/OAVM:

- (i) The voting period begins on Monday, 13th September, 2021 at 09.00 a.m. and ends on Wednesday, 15th September, 2021 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 may cast their vote electronically. The e-voting module shall be disabled by the CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the 49th AGM may also attend/participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to the said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding in Demat form & Physical shareholders:

- 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
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 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 e-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 other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for VIPUL ORGANICS LIMITED on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Facility for Non – Individual Shareholders and Custodians – Remote Voting
 - 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; manish@csmanishb.in and companysecretary@vipulorganics.com, and if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast 3 (three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@vipulorganics.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 (three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@vipulorganics.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM on first come first serve basis.
9. 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.
10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESS/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/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 update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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.

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

Item No. 4

Mr. Mihir V. Shah, Whole Time Director & Chief Financial Officer of the Company, has been associated with the Company since more than 4.5 years as Vice-President of the Company and then as Whole Time Director of the Company w.e.f. 1st April 2020 and also CFO w.e.f. 15th September, 2021. Mr. Mihir V. Shah, aged 29 years, is a graduate in B. Pharma and Masters 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 holds 14,52,600 Equity shares in the Company and is one of the promoters of the Company. His responsible area of work in the Company is production management, innovation management and marketing.

Considering his knowledge and contribution made in the growth of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board of Directors of the Company in its meeting held on 8th June, 2021, revised the remuneration payable to him w.e.f. 1st April, 2021 for the remaining period of his current tenure as specified in the resolution set out at item no. 4 of the notice.

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

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

Item No. 5

Mr. Vipul P. Shah, Managing Director of the Company has been associated with the Company since more than two decades. He is a Chemical Engineer and has around 30 years of experience in chemical dye stuff and pharmaceuticals industry. He holds 20,46,100 Equity shares in the Company and is one of the promoters of the Company.

Considering his knowledge, experience and contribution made in the growth of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board of Directors of the Company in its meeting held on 8th June, 2021, revised the remuneration payable to him w.e.f. 1st April, 2021 for the remaining period of his current tenure as specified in the resolution set out at item no. 5 of the notice.

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

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

INFORMATION OF DIRECTORS BEING PROPOSED TO BE APPOINTED/RE-APPOINTED OR WHOSE REMUNERATION IS PROPOSED TO BE APPROVED PURSUANT TO REGULATIONS 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
Director Identification Number	00181636	05126125
Date of Birth	2 nd February, 1966	5 th July, 1992
Age	55 Years	29 Years
Date of first Appointment on the Board	21 st June, 1992	1 st April, 2020
Designation	Mr. Vipul P. Shah is the Managing Director of the Company.	Mr. Mihir Shah is the Whole-Time Director and Chief Financial Officer of the Company.
Nature of his expertise in specific functional areas	Mr. Vipul Shah is a Chemical Engineer, having more than 32 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.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil	Nil
No. of equity shares held in the Company	20,46,100	14,52,600
No. of Board Meetings attended during the year	9 (Nine)	9 (Nine)
Terms and conditions of appointment / reappointment	Not applicable	Retiring by rotation.
Remuneration last drawn during financial year 2020-21	Rs.5,90,000/- per month	Rs.4,05,000/- per month
Remuneration proposed to be paid	Rs. 7,50,000/- per month and other terms and conditions as may be decided by the Board	Rs. 5,40,000/- per month and other terms and conditions as set out in resolution proposed
Disclosure of relationship between directors inter-se	Father of Mr. Mihir Shah, Whole Time Director & Chief Financial Officer of the Company.	Son of Mr. Vipul P. Shah, Managing Director of the Company.

ADDITIONAL INFORMATION FOR ITEM NOS. 4 & 5

The details as required under Clause (IV) to second proviso of Section II B of part II of Schedule V and 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. 7.19 Return on net worth: 16.87%
	(5)	Foreign investments or collaborators, if any	Nil
II Information about the Directors			
A. Mr. Mihir V. Shah			
	(1)	Background details	Mr. Mihir V. Shah, aged 29 years, is a graduate in B. Pharma and Masters 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 and also CFO w.e.f. 15 th September, 2020. His areas of operations in the Company are production management, innovation management and marketing.
	(2)	Past Remuneration	Rs. 4,05,000/- per month and perquisites
	(3)	Recognition or awards	Mr. Mihir V. Shah is having good experience in the industry in which the Company operates.
	(4)	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 and also CFO w.e.f. 15 th September, 2020. His areas of operations in the Company are production management, innovation management and marketing.
	(5)	Remuneration proposed	Rs. 5,40,000/- 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 or other director, if any	Except receiving remuneration as Whole-Time Director and Chief Financial Officer of the Company and holding shares in the Company, Mr. Mihir V. Shah does not have any other direct or indirect pecuniary relationship with the Company. Mr. Mihir V. Shah is son of Mr. Vipul P. Shah, Managing Director of the Company. He is also one of promoters of the Company.
B. Mr. Vipul P. Shah			
	(1)	Background details	Mr. Vipul P. Shah, aged 55 years, is a Chemical Engineer, has around 32 years of experience in chemical dye stuff and pharmaceutical industry. He is associated with the Company since more than two decades. He is entrusted with overall management of the Company under the supervision of the Board of Directors of the Company.
	(2)	Past Remuneration	Rs. 5,90,000/- per month and perquisites

	(3)	Recognition or awards	Under the guidance of Mr. Vipul P. Shah, the Company has received "FIRST AWARD" for the 'Outstanding Export Performance' under the Dyes, Dye Intermediates and Pigment Panel by Export Promotion Council - Chemexcil, Government of India on 6 th January, 2011.
	(4)	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
	(5)	Remuneration proposed	Rs. 7,50,000/- 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 or other director, if any	Except receiving remuneration as Managing Director of the Company and holding shares in the Company, Mr. Vipul P. Shah does not have any other direct or indirect pecuniary relationship with the Company. Mr. Vipul P. Shah is father of Mr. Mihir V. Shah, Whole Time Director and Chief Financial Officer of the Company. He is also one of the promoters of the Company.
III.	Other information		
	(1)	Reasons of loss or inadequate profits	Presently, the Company has adequate profits, however considering the nature of business and uncertainty of profits in future, more particularly in present pandemic times, the Company is proposing the resolutions to be passed as Special Resolutions.
	(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 2020-21	The requisite details of remuneration of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Financial Year 2020-21 of the Company.

ADDITIONAL DISCLOSURE PURSUANT TO THE UNDERTAKING GIVEN TO THE BSE LTD. VIDE COMPANY'S LETTER DATED 10TH FEBRUARY, 2021 WHILE SEEKING 'IN-PRINCIPLE' APPROVAL UNDER REGULATION 28(1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE ISSUE OF 7,00,000 WARRANTS CONVERTIBLE INTO 7,00,000 EQUITY SHARES OF RS. 10/- EACH TO BE ISSUED AT A PRICE NOT LESS THAN RS. 111/- TO PROMOTERS ON A PREFERENTIAL BASIS

As required under Regulation 163(1)(i) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, it is hereby confirmed that neither the Company nor any of its promoters or directors are wilful defaulter.

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

Place: Mumbai

Date: 8th June, 2021

Registered Office Address:

102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West), Mumbai-400050

**Kinjal Shah
Company Secretary & Compliance Officer
Membership No.:A58678**

BOARD OF DIRECTORS' REPORT

To the Members,
Vipul Organics Limited

Your Directors are pleased to present herewith the 49th Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2021.

1. FINANCIAL HIGHLIGHTS

The financial highlights for the financial 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, 2021	Previous Year ended 31 st March, 2020	Current Year ended 31 st March, 2021	Previous Year ended 31 st March, 2020
Revenue from Operations	11953.31	9296.94	11869.98	9224.80
Other Income	64.24	102.04	65.30	102.04
Total Revenue	12017.54	9398.98	11935.28	9326.84
Less: Expenditure except Finance Cost & Depreciation & Tax	10345.01	8395.91	10261.25	8320.60
Profit before Finance Cost, Depreciation & Tax	1672.53	1003.07	1674.03	1006.24
Less: Finance Cost	135.64	92.33	135.64	92.33
Less: Depreciation and Amortization	580.87	202.49	582.64	204.74
Profit Before Tax	956.02	708.24	955.76	709.16
Less: Provision for Tax	270.49	231.33	270.51	230.86
Profit After Tax	685.53	476.91	685.25	478.30
Other Comprehensive Income/Loss (Net of Tax)	0.80	(6.19)	0.80	(6.19)
Total Comprehensive income attributable to: Non-Controlling Interest	-	-	(0.13)	(0.61)
Total Comprehensive income attributable to Owners of equity	686.34	470.72	686.05	472.11
Total Comprehensive Income (Net of Tax)	686.34	470.72	686.18	471.50

Notes:

- a) The above results and subsequent management discussion refer to Vipul Organics Limited as 'The Company' or 'VOL'. During the financial year, erstwhile Efferchem Private Limited ("ECPL") has been amalgamated with the Company with an appointed date of 1st April, 2017 pursuant to the Scheme of Amalgamation of Efferchem Private Limited ("ECPL") with the Company under sections 230-232 of the Companies Act, 2013. The Scheme has been accounted under Pooling of Interests Method. Therefore, figures of previous years have been restated / regrouped wherever necessary to make them comparable with that of the F.Y. 19-20.
- b) For the purpose of financial analysis, the financial results for F.Y. 19-20 in respect of VOL and ECPL being separate entities have been combined whilst, for the current year and previous years, the same is presented as a part of the VOL.

2. COVID-19 AND ITS IMPACT

The financial year 2020-21 has been volatile and intense for nations globally. The COVID-19 pandemic led to nationwide lockdown during the financial year which leads to an abrupt halt of all the key economic activities. The Government announced several measures and stimulus to revive the economy post gradual opening up of economies. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. Towards later part of the financial year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of COVID-19. The directors have been closely reviewing with the Management the impact of COVID-19 on the Company. After ensuring compliance with all the safety measures directed by the Government like social distancing and maintain hygiene, the Company resumed its operations after obtaining permissions from the authorities concerned. 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.

3. OPERATIONS

The performance of the Company showed a substantial improvement during the financial year under review. The Company has earned total revenue of Rs. 12017.54 Lakhs (previous year Rs. 9398.98 Lakhs) and Net Profit after Tax of Rs. 685.53 Lakhs (previous year Rs. 476.91 Lakhs) on Standalone basis.

The Company has earned consolidated revenue of Rs. 11935.28 Lakhs (previous year Rs. 9326.84 Lakhs) and consolidated Net Profit After Tax of Rs. 685.25 Lakhs (previous year Rs. 478.30 Lakhs), during the financial year under review.

4. CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY

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

5. DIVIDEND AND RESERVES

Your Directors have pleasure in recommending payment of dividend Re. 0.90 (Ninety Paise only) being 9% per share on Equity Share of Rs. 10/- for the financial year ended 31st March, 2021. This will absorb total cash outflow of Rs. 85,94,550/-. The dividend, if approved, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries as on Thursday, 9th September, 2021.

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

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and upto the date of this report.

7. SHARE CAPITAL

During the financial year under review, the authorized share capital of the Company increased from Rs. 10,05,00,000/- (Rupees Ten Crore Five Lakhs only) to Rs. 10,50,00,000/- (Rupees Ten Crore Fifty Lakhs only) divided into 1,05,00,000 Equity Shares of Rs. 10/- each.

Pursuant to the Scheme of Amalgamation of Efferchem Pvt. Ltd. with the Company under Sections 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.

As on 31st March, 2021, the issued, subscribed and paid-up Equity Share capital of the Company stood at Rs. 9,54,95,000/- comprising of 95,49,500 Equity Shares of Rs. 10/- each.

Pursuant to the shareholders' approval obtained at the Extra Ordinary General Meeting held on 30th January, 2021, the Company on 23rd February, 2021, issued and allotted 7,00,000 warrants for cash at an issue price of Rs. 111/- (Rupees One hundred and Eleven only) each [including premium of Rs. 101/- (Rupees One Hundred One only) each] aggregating to Rs. 7,77,00,000/- (Rupees Seven Crores and Seventy Seven Lakhs only) to the promoter and promoter group on preferential basis, carrying an option/ entitlement to subscribe to equivalent number of Equity shares of Rs. 10/- (Rupees Ten Only) each within a period of 18 months from the date of their issue.

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 2020-21, the Company transferred 10,000 equity shares to the demat account of the IEPF Authority as required under the IEPF Rules for the dividend remained unclaimed/unpaid upto the financial years 2012-13.

In terms of the provisions of Section 125 of the Companies Act, 2013 and the said Rules, during the financial year 2020-21, an amount of Rs. 1,18,551.40 being remained unpaid / unclaimed dividend for the Financial Year 2012-13 was transferred to the IEPF.

Further, the unpaid and unclaimed dividend amount lying with the Company for Financial Year 2013 - 14 is due to transfer to the IEPF in the month of November, 2021. The details of the same are available on the Company's website viz. www.vipulorganics.com.

The Board has appointed Ms. Kinjal Shah, 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")

As on 31st March, 2021, the Board comprised of Six directors including one independent women director. The Board has an appropriate mix of Executive, Non-Executive and Independent Directors, which is in compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is also aligned with the best practices of Corporate Governance.

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. Mihir V. Shah (DIN: 05126125), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

II. Appointment

The members, in their 48th Annual General Meeting held on 30th September, 2020, approved 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 and approved continuation of directorship of Dr. Shiv Nath Sahai (DIN: 00332652), as Non-Executive Director of the Company, beyond the age of seventy five years.

Pursuant to the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company appointed Ms. Kinjal Shah as Company Secretary and Compliance Officer of the Company w.e.f. 11th March, 2021.

Brief resume of the directors proposed to be appointed / re-appointed / whose remuneration to be approved as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and 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 49th Annual General Meeting of the Company.

III. Cessation

Ms. Yogita Mundhra, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. closing working hours of 10th March, 2021. The Board places on record its sincere appreciation for her hard work during her stint in the Company.

IV. Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the 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 provisions 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") till they continue to hold the office of an independent director.

None of the directors of your Company are disqualified under the provisions of Section 164(2) of the Companies Act, 2013. Your directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 has 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. 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 financial year under review, a separate meeting of the Independent Directors of the Company was held on 13th February, 2021 for evaluation of performance of non-independent Directors and the Board as a whole.

VI. Key Managerial Personnel (“KMP”)

During the financial year ended 31st March, 2021, 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.	Mr. Mihir V. Shah	Whole Time Director & Chief Financial Officer
3.	Ms. Yogita Mundhra	Company Secretary and Compliance Officer (upto 10 th March, 2021)
4.	Ms. Kinjal Shah	Company Secretary and Compliance Officer (w.e.f. 11 th March, 2021)

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 also 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 9 times during the financial 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 the 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 (upto 13th February, 2021).

Details of all the Committees along with their terms of reference, composition, changes, if any and meetings held during the financial year under review are provided in the Corporate Governance Report, forming part of this Report.

12. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31st March, 2021, 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 and Compliance Officer of the Company 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 Report of Corporate Governance.

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 the 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 on 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, 2021 and of the profit of the Company for the financial year ended 31st March, 2021;
- 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 financial year under review, the Company has not accepted any deposits within the meaning of Sections 73 and 76 of the Companies Act, 2013 read with the 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 during the financial year 2020-21 by the Company falling under Section 186 of the Companies Act, 2013 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 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 www.vipulorganics.com. We affirm that during the financial year 2020-21, 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 the transactions with related parties entered into during the financial year were in ordinary course of business and on arm's length basis. No Material Related Party Transactions were entered into during the financial year under review 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 www.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. ANNUAL RETURN

As required under Section 92(3) read with the Section 134(3)(a) of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the copy of Annual Return as on 31st March, 2021 will be placed on the website of the Company and can be accessed at https://www.vipulorganics.com/annual_returns.htm

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 5

consecutive 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 31st March, 2022.

M/s. R. A. Kuvadia & Co., Chartered Accountants have 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 Sections 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(1) 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 financial year 2020-21. The Secretarial Audit Report is appended as **Annexure - I** 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 to the Audit Committee on the quarterly basis.

26. COST RECORDS AND COST AUDITORS

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, during the financial year under review, the Company was not required to carry Cost Audit.

27. REMARKS ON QUALIFICATIONS BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

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

With respect to observations made by the Secretarial Auditors in their report, we would like to state that delay in filling some e-forms with the Registrar of Companies ("ROC"), Mumbai, Maharashtra was due to destruction in normal workings as an impact of lockdown imposed to contain spread of COVID-19 pandemic and the Company has also filed some e-forms under Companies Fresh Start Scheme, 2020 introduced vide General Circular No. 12/2020 dated 30th March, 2020.

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 financial year, received during the financial year or pending at the end of the financial 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 financial year under review.

30. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Shree Ambika Naturals Private Limited is a subsidiary of the Company. The Company had no Joint Venture or Associate Company during the financial year under review.

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 - II** and forms part of this Report.

31. CONSOLIDATED AUDITED FINANCIAL STATEMENTS

Pursuant to the provisions of Sections 129 and 133 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 Audited 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 summarized consolidated financial position is provided above in point no. 1 of this Report.

32. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made 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; and
- 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.

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 - III** 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 amendments in Section 135 of the Act and the Companies (Corporate Social Responsibility) Rules, 2014, w.e.f. 22nd January, 2021, the Corporate Social Responsibility Policy of the Company was amended w.e.f. 13th February, 2021. The revised policy on Corporate Social Responsibility has been placed on the website of Company www.vipulorganics.com.

Pursuant of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014 (as amended), the CSR Committee of the Company was dissolved w.e.f. 13th February, 2021 and functions of the said Committee provided under Section 135 of the Act are discharged by the Board of Directors of the Company.

The details of the initiatives taken by the Company as per the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, as amended are given in **Annexure - IV**, which 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 are given in **Annexure - V**, which 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:

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions			
		Scale	Amount (INR million)	Ratings	Facilities Rated from
1.	Acuite Ratings & Research	Fund based working capital	13.45	ACUITE BBB-/ STABLE (ASSIGNED)	Axis Bank
		Non- Fund based working capital	15.00	ACUITE A3 (ASSIGNED)	
		Total	28.45		

38. DETAILS OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year under review, no application was made or proceeding initiated against the Company under the Insolvency and Bankruptcy Code, 2016 nor any such proceeding was pending at the end of the financial year under review.

39. VALUATION OF ASSETS

During the financial year under review, there was no instance of one-time settlement of loans / financial assistance taken from Banks or Financial Institutions, hence the Company was not required to carry out valuation of its assets for the said purpose.

40. 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 financial 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 financial year under review.

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

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

ANNEXURE - I

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members,
Vipul Organics Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the audit period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its 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 *delay in filling some e-forms and the Company has also filed some e-forms with Registrar of Companies ("ROC"), Mumbai, Maharashtra under Companies Fresh Start Scheme, 2020 introduced vide General Circular No. 12/2020 dated 30th March, 2020.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period, the Company had following specific events / actions having a major bearing on the Company's affairs:

- a) The Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai 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, with appointed date as 1st April, 2017, which became effective from 26th June, 2020;
- b) Pursuant to the said Scheme of Amalgamation, 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;
- c) In the Extra Ordinary General Meeting of the members of the Company held on 30th January, 2021, the members of the Company passed Special Resolutions for the following matters:
 - i. Issue and allotment of 7,00,000 Warrants convertible into even number of Equity Shares of Rs. 10/- each for cash at a price of Rs. 111/- per warrant [including premium of Rs. 101/- each] aggregating to Rs. 7,77,00,000/- to the promoters and promoter group on preferential basis; and
 - ii. Increase in Authorized Share Capital from Rs. 10,05,00,000/- to Rs. 10,50,00,000/- divided into 1,05,00,000 Equity Shares of Rs. 10/- each and consequent changes in the Memorandum of Association of the Company.

- d) The Company issued and allotted 7,00,000 Warrants convertible into even number of Equity Shares of Rs. 10/- each for cash at a price of Rs. 111/- per warrant [including premium of Rs. 101/- each] to the promoters and promoter group on preferential basis on 23rd February, 2021 after receipt of 25% of issue price in terms of Regulation 13(c) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor
M. No. FCS 6180 C.P. No. 11062
UDIN: F006180C000435257

Place: Thane

Date : 8th June, 2021

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.

‘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: F006180C000435257

Place: Thane
Date : 8th June, 2021

ANNEXURE - II

Form AOC-1

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

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

Part "A": Subsidiaries

(Rs. in '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	10455.00
5.	Reserves & surplus	(2649.316)
6.	Total assets	9,549
7.	Total Liabilities	1,743
8.	Investments	0
9.	Turnover	16615.533
10.	Profit before taxation	(26.64)
11.	Provision for taxation	2.16
12.	Profit after taxation	(28.8)
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
of Vipul Organics Limited**

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

ANNEXURE - III**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 ended 31st March, 2021:

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Mr. Vipul P. Shah	38.35
2.	Mr. Mihir V. Shah	24.73

(Median remuneration of the employees of the Company for the financial year 2020-21 is Rs. 1.84 Lakhs).

- (ii) The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year ended 31st March, 2021:

Sr. No.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.
1.	Mr. Vipul P. Shah	2.57
2.	Mr. Mihir V. Shah	68.50
3.	Ms. Kinjal Shah	-

(iii)	The percentage increase in the median remuneration of employees in the financial year	(7.80%)
(iv)	The number of permanent employees on the rolls of the Company	135
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in remuneration of employees is (18.45%) and managerial personnel is (0.68%)

- (vi) We hereby confirmed that the remuneration paid 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
of Vipul Organics Limited**

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

ANNEXURE - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

1. Brief outline of CSR Policy of the Company:

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.
- 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. Composition of CSR Committee:

During the financial year under review, various provisions with respect to CSR were amended vide Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which came into force w.e.f. 22nd January, 2021

In view of such amendments, the amount to be spent by the Company towards Corporate Social Responsibility ("CSR") activities does not exceed Rs. 50 Lakhs in a financial year, hence the requirement for constitution of CSR Committee is not applicable to the Company anymore, therefore, the Board of Directors of the Company in its meeting held on 13th February, 2021 dissolved the CSR Committee of the Company and functions of the Committee provided under Section 135 of the Companies Act, 2013, are discharged by the Board of Directors of the Company.

Pursuant to the provisions of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the period from 1st April, 2020 to 13th February, 2021, the CSR Committee of the Company was duly constituted in accordance with the provisions of Section 135 of Companies Act, 2013 and during such period the CSR Committee comprised of:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Prasannakumar B. Gawde	Chairman, Non-Executive- Independent Director	2	2
2.	Mr. Jagdeep Y. Mehta	Member, Non-Executive- Independent Director	2	2
3.	Mr. Vipul P. Shah	Member, Managing Director	2	2

3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board on the website of the company:

- (i) The composition of CSR Committee of the Company: CSR Committee of the Company was dissolved w.e.f. 13.02.2021.
- (ii) The CSR Policy and CSR Projects approved by the Board of Directors of the Company can be viewed at: www.vipulorganics.com.

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	*Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set- off for the financial year, if any (in Rs.)
		Nil	

6. Average net profit of the company as per section 135(5): Rs. 51,211,644/-

7. a) Two percent of average net profit of the company as per section 135(5): Rs. 1,024,233/-
 b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 c) Amount required to be set off for the financial year, if any: Nil
 d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 1,024,233/-

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
10,36,000/-	Nil	N.A.	N.A.	Nil	N.A.

b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project (State & District)	Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/ No)	Mode of Implementation -Through Implementing Agency (Name & CSR Registration Number)
										N.A.

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project (State & District)	Amount spent for the Project (in Rs.)	Project duration	Mode of Implementation -Direct (Yes / No)	Mode of Implementation -Through Implementing Agency (Name & CSR Registration Number)
1.	Contribution given to the Kathor Medical Trust for providing essential medicine to and treatment of poor people	Promoting Health Care, including preventive health care	Yes	Gujarat, Surat	1,00,000	N.A.	Yes	N.A.
2.	Contribution given to Chandrkant Mulchand Shah Charitable Foundation for providing essential medical facility and supporting daily livelihood requirements of the poor and needy	Promoting Health Care, including preventive health care and Disaster Management.	Yes	Maharashtra, Mumbai	2,07,000	N.A.	Yes	N.A.
3.	Contribution given to Jayalaxmi Pravinchandra Babubhai Shah Trust to help poor and needy for education fees and providing medical assistance	Promoting Education and Promoting Health Care, including preventive health care	Yes	Maharashtra, Mumbai	3,06,000	N.A.	Yes	N.A.
4.	Contribution given to K L Institute for The Deaf Trust for providing education facility to disabled child and providing training to teachers who teach to such child.	Promoting education	Yes	Gujarat, Bhavnagar	2,00,000	N.A.	Yes	N.A.
5.	Contribution given to Shree Jivdaya Mandal Sangamner for providing medical facility and animal feeding	Protection of flora and fauna, animal welfare	Yes	Maharashtra, Ahmednagar	2,23,000	N.A.	Yes	N.A.
Total					10,36,000			

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Not Applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 10,36,000/-

g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in Rs.)
1.	Two percent of average net profit of the company as per section 135(5)	10,24,233
2.	Total amount spent for the Financial Year	10,36,000
3.	Excess amount spent for the financial year [(ii)-(i)]	11,767
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years[(iii)-(iv)]	*11,767

* The Company has spent in excess of mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set-off.

8. a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1.	2019-20			Nil			
2.	2018-19			Nil			
3.	2017-18			Nil			

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project- Completed / Ongoing
N.A.								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- Date of creation or acquisition of the capital asset(s): None
- Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

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

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

ANNEXURE - V

Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

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	<p>The Company has purchased ZLD (Zero-liquid discharge) plant for waste water management and running successfully.</p>	
D	Foreign exchange earnings and outgo	2020-21 (Rs. in Lakhs)	2019-20 (Rs. in Lakhs)
	(i) The foreign exchange outgo (actual outflows)	964.58	695.28
	(ii) The foreign exchange earned (actual inflows)	9553.56	9037.35

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

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

1) Global Industry Review

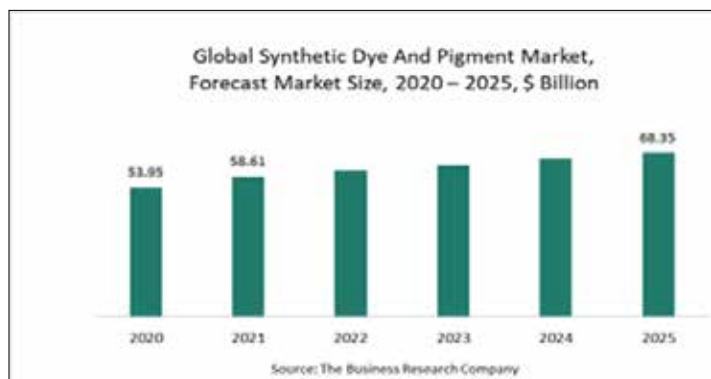
(i) Introduction

There are two types of colorants – pigments and dyes. Pigments are insoluble substances and could either be in powdered or granular form. They impart color by reflecting only certain light rays. Their major end use industries are paints, inks, plastics, textiles, rubber. Pigments can be broadly classified as organic (AZO), Phthalocyanines (Blue & Greens) and inorganic (including specialty pigments). Dyes are soluble substances used to pass color to the substrate and find applications primarily in textiles, paper and leather. There are several types of dyes - Reactive, VAT, Direct dyes, Basic dyes, Acid dyes and Food dyes.



(ii) Global Market Insight

The global synthetic dye and pigment market is expected to grow from \$53.95 billion in 2020 to \$58.61 billion in 2021 at a compound annual growth rate (CAGR) of 8.6%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$68.35 billion in 2025 at a CAGR of 4%.



Asia Pacific was the largest region in the global synthetic dye and pigment market, accounting for 32% of the market in 2020. Western Europe was the second largest region accounting for 31% of the global synthetic dye and pigment market. Africa was the smallest region in the global synthetic dye and pigment market.

Many textiles companies are adopting eco-friendly dyes for producing textiles and fabrics. These companies do not use harmful dyes as they cause extensive damage to the environment and are known to cause skin allergies and respiratory diseases. Due to the positive environmental characteristics and low toxicity of eco-friendly dyes, many companies are moving toward eco-friendly organic dyes, though they are priced higher than inorganic dyes.

The synthetic dyes and pigments market is expected to be driven by the rapidly growing packaging industry. This is mainly due to increased demand from the toiletries, food & beverages, healthcare, and other industries, particularly in emerging economies. Going forward, the market for synthetic dyes and pigments is expected to grow with the launch of high-quality digital printing applications on flexible packaging and labelling. Growing demand for digital printing due to the need for high quality printing will lead to an increase in the demand for packaging printing, driving the synthetic dyes and pigments market.

(2) Indian Economy

Pigment manufacturers in India are expanding their production lines and upgrading their technology infrastructure to prepare for the upcoming market demand. Export opportunities are pushing Indian businesses to strengthen their distribution network in different countries. International brands are investing in India to expand their facilities and to manufacture high quality products for fulfilling demand in domestic and international markets. Strategic partnerships between companies and reliable manufacturers will push the growth of the global markets.

The dyes and Pigment industry in India is expected to witness a steady growth in the coming years due to environmental crackdowns in China, resulting in a shutdown of several domestic dye companies. India is better placed due to the availability of the ecosystem, feedstock, technology, and compliance required for the industry. Thus, the consumer base of China is likely to shift to India due to these reasons in the coming years.

With the Indian economy consistently delivering a growth rate of approximately 7% every quarter on the back of structural reforms that simplify operating a business in India. It is safe to retain a widely positive outlook when it comes to the economic growth of the Indian subcontinent.

According to a report by Federation of Indian Chambers of Commerce and Industry (FICCI), the chemical industry in India has a market size of nearly \$163 Billion and is expected to grow with a CAGR of 9% for the next five years.

The Indian Dye and Dyestuffs Industry is an important aspect of the Indian Chemical Industry that significantly contributes to the growth. According to a recent survey, the Indian dyes market is poised to generate a revenue of Rs. 48,000 crores by 2022.

(3) Overview

The organic pigments market is fragmented with the presence of several domestic and international players. Hence, companies need to adopt advanced technologies and marketing strategies to remain competitive in the market. Though the accelerating growth momentum will offer immense growth opportunities, the high cost of organic pigments will challenge the growth of the market participants. To make the most of the opportunities, market vendors should focus more on the growth prospects in the fast-growing segments, while maintaining their position in the slow-growing segments.

Whereas, the dyestuff and pigment production volume in India is projected to reach 572.2 thousand tonnes in 2024, increasing at a CAGR of 9.11%, during 2020-2024. The factors such as, growth of textile industry in India, increasing titanium dioxide production capacity, accelerating paper production, rising plastic consumption and rapid urbanization are expected to drive the market. However, growth of the market would be challenged by price volatility of raw materials and concerns associated with rising environmental problems. A few notable trends include expansion of paint and coating industry and upsurge in leather production.

(4) Business of the company

The Company is a globally renowned player in Dyes & Pigment Industry. The Company is among leading manufacturing and exporting entity among top Dyes & Manufactures in India. The Company is manufacturing Dyestuffs for Textile and

Apparel, Ink, Leather and paper Industries etc. Company is also producing Organic Azo Pigments. The production facilities are presently at Palghar, Tarapur and Ambernath in the State of Maharashtra.

(5) Future Outlook and Opportunities

The COVID-19 pandemic has taken a huge toll on the textile dyes and pigments industry because of the strict lockdown measure implemented by governments in major manufacturing countries, such as Bangladesh, China, Brazil, and India. It further resulted in the halt of production processes. Despite this gloomy outlook, the 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. The Company is having an integral facility with the manufacturing of Intermediates for Dyestuffs & Pigments. Almost the entire capacity of Intermediates is utilized in active consumption for Pigment manufacturing.

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

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

(6) Growth Plan

An Industrial Land is acquired at Dhahej - Gujarat for next phase of expansion, wherein with the implementation of production, the Company will have a very strong position as top five pigment producer in India. With this expansion, the company will mitigate the risk of importing the raw materials and further strengthening the backward- forward integration. We have successfully installed and are operating one of the largest water recycling plant at one of our unit which has given us a huge confidence in implementing sustainable manufacturing processes in our new projects as well.

Presently, we are exporting to more than 52 countries and our quality is accepted Worldwide. It is our earnest desire to explore the new market to increase revenue. Our marketing team is on toes by way of making frequent Overseas Visits and finalizing the distributors / dealers Globally.

The company is also increasing its presence in Pan India basis. Distributors and Dealers are appointed in key areas of printing inks, plastics, and paint industry in addition to Textile Printing. We are positive that company will continue to deliver profitable growth, led by enhanced capacity utilization, increased contribution of value-added products and higher demand in the market.

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

(7) Segment wise or product wise performance

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

(8) Risks Concerns & Threats

The Company mitigates its key risks across all levels of business operations by identifying and assessing risk keeping business objectives in mind. It also helps to monitor the effectiveness and efficiency of risk responses against strategic,

operational, financial and compliances 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. Additionally, due to internal and external competition, the margin of profits in the Dyes industries is rapidly being squeezed. The consequence is that there is low expenditure incurred for R&D. We continue to work on cost optimization across our new projects to improve efficiencies and optimize and utilize recourses, yielding long term results.

Fluctuating and volatile prices of key raw materials, including Naphthalene derivatives, coupled with an increasingly stringent regulatory environment, are critical challenges to the growth of this industry. Effective management of these risks is essential for the achievement of our long-term goals. Our success as an organization also depends on our ability to identify and leverage the opportunities while managing the risks.

(9) 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 is 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.

(10) Internal Control Systems and their accuracy

The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. The Company has a robust internal control framework, which has been developed considering the nature, size and risks that could hinder the Company from achieving its objectives. The Company has well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities 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 are adequately protected. All the company processes are carried out on the SAP system. The internal auditors along with finance team plan yearly schedule in consultation with Chief a Financial Officer 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 Managing Director and Chief a Financial Officer for financial reporting.

(11) Financial & Operational Performance

Aggressive growth and 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 due to Cotton & Polyester Dyeing/ Printing Industry. With GST implementation, industry is benefitted. This provided the competitiveness of Indian goods and services in the international market and gave boost to Indian exports. The uniformity in tax rates and procedures across the country will also go a long way in reducing compliance cost.

(12) 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.

	Standalone		Consolidated	
Ratios	2020-21	2019-20	2020-21	2019-20
Debtors Turnover Ratio	3.91	4.09	3.85	4.12
Inventory Turnover Ratio	6.77	8.87	6.71	8.87
Interest Coverage Ratio	8.11	8.64	8.11	8.91
Current Ratio	1.79	1.05	1.80	1.06
Debt Equity Ratio	0.63	0.61	0.63	0.62
Operating Margin Ratio	9.07%	7.31%	9.13%	7.37%
Net Profit Margin	5.71%	4.92%	5.75%	4.94%
Return on Net Worth	16.88%	14.33%	16.96%	14.47%

Return on Networth for financial year is 16.88% as compared to 14.33% for previous year.

(13) 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 2021 under review, there were no labour issues outstanding or remained unsettled during 2020-21. 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, 2021, the Company has a strength of 105 permanent employees. The Board records their appreciation of the commitment and support of the employees and look forward the same in future.

(14) 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
of Vipul Organics Limited**

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are 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 Compliance Officer of the Company 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 encourages 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:

3.1 Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2021, the Board comprised of total six directors. Out of these, two directors are Executive Directors, one is Non-Executive Non-Independent Director and three are Non-Executive Independent Directors (including one Independent Woman Director).

During the financial year under review, the members of the Company in their 48th Annual General Meeting held on 30th September, 2020, appointed 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 and approved continuation of directorship of Dr. Shiv Nath Sahai (DIN: 00332652), as 'Non-Executive Director of the Company, beyond the age of seventy five years.

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.

3.2 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 relates 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.

3.3 Attendance at the meetings:

During the year under review, the Board of Directors met nine (9) times on 30th June, 2020, 31st July, 2020, 21st August, 2020, 15th September, 2020, 28th October, 2020, 10th November, 2020, 2nd January, 2021, 13th February, 2021 and 23rd February, 2021. As stipulated, the gap between two meetings did not exceed 120 days.

Details of the composition of Board and category of Directors, their attendance at each Board meeting held during the financial year 2020-21 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, 2020	No. of directorship held in other public companies	Committee position in other Companies		No. of shares and convertible instruments held
		Held	Attended			Chairman	Member	
Mr. Vipul P. Shah	Promoter & Managing Director	9	9	Present	1	-	-	Equity shares – 20,46,100 Warrants - 2,00,000
Dr. Shiv N. Sahai (w.e.f 01.04.2020)	Non-Executive, Non-Independent director	9	9	Present	1	-	-	-
Mr. Jagdeep Y. Mehta	Independent Director	9	9	Absent	-	-	-	-
Mr. Prasannakumar B. Gawde	Independent Director	9	9	Present	-	-	-	-
Mrs. Megha S.Bhati	Independent Director	9	9	Present	-	-	-	-
Mr. Mihir V. Shah	Whole Time Director & CFO	9	9	Present	1	-	-	Equity shares – 14,52,600 Warrants - 2,50,000

Note:

- The directorships held by directors as mentioned above does not include directorships in Private Companies/Section 8 Companies/Foreign Companies as on 31st March, 2021.
- Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.
- None of the Directors hold directorships in more than 7 listed entities, membership in more than 10 committees and chairmanship in more than 5 committees.
- Except Mr. Vipul P. Shah and Mr. Mihir V. Shah, no other director is related to any other Director on the Board as on 31st March, 2021.
- None of non-executive directors hold any shares / convertible securities in the Company.
- Details of directorships including the category of directorships as on 31st March, 2021:

Sr. No.	Name of the Director	Name of the Listed Entity	Directorship Details
1.	Mr. Vipul P. Shah	Vipul Organics Ltd.	Managing Director, Promoter
2.	Dr. Shiv N. Sahai	Vipul Organics Ltd.	Non-Executive, Non-Independent director
3.	Mr. Jagdeep Y. Mehta	Vipul Organics Ltd.	Independent Director
4.	Mr. Prasannakumar B. Gawde	Vipul Organics Ltd.	Independent Director
5.	Mrs. Megha S. Bhati	Vipul Organics Ltd.	Independent Director
6.	Mr. Mihir V. Shah	Vipul Organics Ltd.	Whole Time Director & CFO, Promoter

3.4 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>.

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. Shiv Nath Sahai	Mr. Jagdeep Mehta	Mr. Prasanna Kumar Gawde	Mrs. Megha Bhati	Mr. Mihir Shah
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.	✓	✓	✓	-	✓	✓
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.	✓	✓	✓	✓	✓	✓

3.5 Separate Meeting of Independent Directors:

As stipulated in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 13th February, 2021 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.

3.6 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 also confirms that all the Independent Directors of the Company have complied 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 22nd October, 2019 issued by the Ministry of Corporate Affairs in this regard.

3.7 Terms and conditions for appointment of Independent Directors:

Independent Directors fulfill the conditions of independence specified in Section 149(6) 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.

3.8 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 Companies Act, 2013 and Regulations 16(1)(b) and 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 22nd October, 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.

3.9 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 and 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 Exchange 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, 2021, the Committee comprised of two Independent Directors and one Executive Director having financial background and knowledge in the areas of business of the Company. The Committee comprised of Mr. Prasannakumar B. Gawde as the Chairman of the Committee and Mr. Jagdeep Y. Mehta and Mr. Vipul P. Shah as its members. 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/authorized 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. Meetings and attendance during the financial year:

During the financial year under review, 6 (Six) meetings of the Audit Committee were held on 30th June, 2020, 31st July, 2020, 15th September, 2020, 10th November, 2020, 2nd January, 2021 and 13th February, 2021.

The composition of the Committee and the number of meetings attended by each member during the financial year ended 31st March, 2021 is as under:

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

2. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE:

During the financial year under review, various provisions with respect to CSR are amended vide Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which came into force w.e.f. 22nd January, 2021.

In view of the such amendments, the amount to be spent by the Company towards Corporate Social Responsibility ("CSR") activities does not exceed Rs. 50 Lakhs in a financial year, hence the requirement for constitution of CSR Committee is not applicable to the Company any more, therefore, the Board of Directors of the Company in its meeting held on 13th February, 2021 dissolved the CSR Committee of the Company and functions of the Committee provided under Section 135 of the Companies Act, 2013, are discharged by the Board of Directors of the Company.

Pursuant to the provisions of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the period from 1st April, 2020 to 13th February, 2021, the CSR Committee of the Company was duly constituted in accordance with the provisions of Section 135 of the Companies Act, 2013.

2.1. Terms of reference:

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

- 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 the CSR Policy and Schedule VII to the Companies Act, 2013; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

2.2. Composition of Committee:

The CSR Committee was comprising 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 was acting as the Secretary to the Committee.

2.3. Meetings and attendance during the financial year:

During the financial year under review, 2 (two) meetings of the CSR Committee were held on 21st August, 2020 and 2nd January, 2021.

The composition of the Committee and the number of meetings attended by each member during the financial year ended 31st March, 2021 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.

3.1. Terms of reference:

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

- To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- Formulate criteria for evaluation of Independent Directors and the Board;
- 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;
- To carry out evaluation of every Director's performance;

- To recommend to the Board the appointment and removal of Directors and Senior Management;
- 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.
- To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To devise a policy on Board diversity;
- To determine terms and conditions for appointment of Independent Directors. The same is also available on the website of the Company at www.vipulorganics.com
- 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, 2021, 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 financial year:

During the financial year under review, the Nomination and Remuneration Committee met 4 (four) times on 30th June, 2020, 15th September 2020, 2nd January, 2021 and 13th February, 2021.

The composition of the Committee and number of meetings attended by each member during the financial year ended 31st March, 2021 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
Mrs. Megha S. Bhati	Member	4	4

3.4. Performance Evaluation Criteria for Independent Directors:

Pursuant to the provisions of Section 178(2) of the 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 the 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:

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

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the 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 share 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.2. Composition:

As on 31st March, 2021, the Committee comprised of Mr. Prasannakumar B. Gawde as Chairman of the Committee, Mr. Mihir V. Shah 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. Meetings and attendance during the financial year:

During the financial year under review, the Stakeholders' Relationship Committee met 4 (four) times on 30th June, 2020, 15th September, 2020, 10th November, 2020 and 13th February, 2021.

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	4	4
Dr. Shiv Nath Sahai (upto 04.09.2020)	Member	1	1
Mr. Mihir V. Shah (w.e.f. 05.09.2020)	Member	4	3
Mr. Vipul P. Shah	Member	4	4

Ms. Yogita Mundhra, Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee upto 10th March, 2021, and w.e.f 11th March, 2021 Ms. Kinjal Shah, Company Secretary and Compliance Officer acted as the Secretary to the Committee.

4.4. Status of Investor complaints:

At the beginning of the financial year	Received during the financial year	Resolved during the financial year	Pending at the end of the financial year
0	0	0	0

4.5. Name and Address of the Compliance Officer:

Ms. Yogita Mundhra, Company Secretary and Compliance Officer (upto 10th March, 2021)
Ms. Kinjal Shah, Company Secretary and Compliance Officer (w.e.f. 11th March, 2021)

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.

5. RISK MANAGEMENT COMMITTEE:

During the financial year ended 31st March, 2021, the Company was not required to constitute Risk Management Committee under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. REMUNERATION OF DIRECTORS:

- (1) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2020-2021.
- (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 financial year 2020-21 and number of shares held as on 31st March, 2021 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	70,80,000	-	-	-	70,80,000	20,46,100
Dr. Shiv Nath Sahai	-	-	-	77,500	77,500	-
Mr. Jagdeep Y. Mehta	-	-	-	1,32,500	1,32,500	-
Mr. Prasannakumar B. Gawde	-	-	-	1,52,500	1,52,500	-
Mrs. Megha S. Bhati	-	-	-	92,500	92,500	-
Mr. Mihir V. Shah	45,56,250	10,000				14,52,600

- The above details of remuneration of fees paid include all elements of remuneration package of directors summarized under major heads.
- Presently, the Company does not have any scheme to grant stock options either to the Executive Directors or employees.
- No remuneration/ compensation is paid to Non-Executive Directors, except sitting fees for attending board and committee meetings.
- The Company has not entered into service contracts with directors and there is no severance fees payment.

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
2020-21	30 th January, 2021 (EGM)	10:30 a.m.	Meeting held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
2019-20	30 th September, 2020 (AGM)	9:50 a.m.	Meeting held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
2018-19	30 th September, 2019 (AGM)	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 (AGM)	4.00 p.m.	Svenska Design Hotel, Off Link Road, Next to Laxmi Industrial Estate, Sab TV Road, Andheri (West), Mumbai-400 053

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

Date of Meetings	Particulars of Special Resolution
30 th January, 2021	1) Issue and Allotment of Warrants on Preferential basis. 2) Increase in Authorized Share Capital and consequent amendment in Memorandum of Association of the Company
30 th September, 2020 (AGM)	1) Appointment of Mr. Mihir V. Shah (DIN: 05126125) as Whole Time Director of the Company and revision in remuneration. 2) Continuation of Directorship of Dr. Shiv Nath Sahai (DIN: 00332652) as Non-Executive Director of the Company
30 th September, 2019 (AGM)	1) Re-appointment of Mr. Vipul P. Shah (DIN:00181636) as Managing Director of the Company 2) Re-appointment 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 (AGM)	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

Date of Meetings	Particulars of Special Resolution
	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.
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 financial year 2020-21, 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
Financial Express (English- All India Edition) Mumbai Global Times (Marathi)	31.07.2020	02.08.2020
Business Standard (English- All India Edition) Mumbai Lakshadweep (Marathi)	15.09.2020	17.09.2020
Business Standard (English- All India Edition) Mumbai Lakshadweep (Marathi)	10.11.2020	12.11.2020
Active Times – Mumbai Edition / Business Standard (English- All India Edition) Mumbai Lakshadweep (Marathi)	13.02.2021	15.02.2021

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 financial year, the Company has not made any presentation to Institutional Investors and Analysts. All Corporate Announcements made to the BSE Limited during the financial year 2020-21 are available on the website of the Company.

D. GENERAL INFORMATION FOR SHAREHOLDERS:

1.1 Annual General Meeting for the financial year 2020-21:

Day : Thursday
Date : 16th September, 2021
Time : 10:30 a.m.
Venue : Through Video Conferencing / other OVM

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 Friday, 10th September, 2021 to Thursday, 16th September, 2021 (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. Thursday, 9th September, 2021. Remote e-voting shall remain open from Monday, 13th September, 2021 at 09.00 a.m. and end on Wednesday, 15th September, 2021 at 05.00 p.m.

1.5 Dividend Payment Date:

Credit/ Dispatch between 23rd September, 2021 to 29th September, 2021

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 financial year 2021-22.

1.7 Stock Code: BSE: 530627

1.8 ISIN: INE834D01018

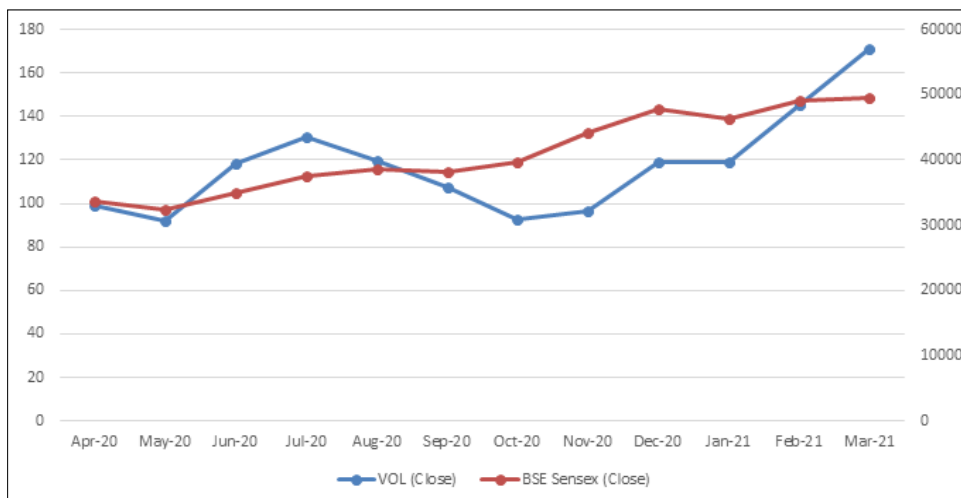
1.9 Stock Market Price Data and comparison with BSE Sensex:

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-20	110.00	82.00	33,887.25	27,500.79
May-20	114.50	89.00	32,845.48	29,968.45
June-20	149.00	85.20	35,706.55	32,348.10
July-20	144.80	109.55	38,617.03	34,927.20
August-20	134.00	116.05	40,010.17	36,911.23
September-20	124.30	100.05	39,359.51	36,495.98
October-20	109.95	86.00	41,048.05	38,410.20
November-20	103.65	84.95	44,825.37	39,334.92
December-20	128.50	86.00	47,896.97	44,118.10
January-21	132.90	105.00	50,184.01	46,160.46
February-21	188.00	116.20	52,516.76	46,433.65
March-21	177.60	136.55	51,821.84	48,236.35

* 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, 2021:



1.11 Trading of Securities:

The securities of the Company were not suspended from trading during the financial year 2020-21.

1.12 Registrar and Share Transfer Agents:

Bigshare Services Private Limited
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis Apartments,
 Marol Maroshi Road,
 Andheri (East), Mumbai 400059
 Tel No. : +91-22-62638200
 Email ID: investor@bigshareonline.com

1.13 Share Transfer System:

Pursuant to the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, SEBI has mandated that, securities can be transferred only in dematerialized mode, except in case of transmission or transposition of the securities. Further, SEBI has fixed 31st March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Therefore, the members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

1.14 The Distribution of Shareholding as at 31st March, 2021:

Slab of Shares Holding (in Rs.)		Shareholders	Percentage (%)	Amount (Rs.)	Percentage (%)
From	To				
1	5000	3781	87.34	4457760	4.67
5001	10000	246	5.68	2038290	2.13
10001	20000	109	2.52	1642870	1.72
20001	30000	48	1.11	1256830	1.32
30001	40000	24	0.55	851600	0.89
40001	50000	22	0.51	1019990	1.07
50001	100000	33	0.76	2491120	2.61
100001	and above	66	1.53	81736540	85.60
TOTAL		4329	100.00	95495000	100.00

1.15 Dematerialization of shares and liquidity:

As on 31st March, 2021, about 98.45% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.

1.16 Convertible Instrument:

The Company has not issued any American Depositary Receipts (ADRs)/ Global Depositary Receipts (GDRs). During the financial year under review, the Company has issued and allotted 7,00,000 warrants carrying a right to subscribe for one Equity Share of Rs. 10/- each per warrant to the promoter and promoter group of the Company on a preferential basis; these warrants are convertible within a period of 18 months from their allotment i.e. by 22nd August, 2022. As on 31st March, 2021, 7,00,000 warrants were outstanding for conversion. After full conversion of these warrants, the paid-up share capital will be Rs. 10,24,95,000 divided into 1,02,49,500 Equity Shares of Rs. 10/- each.

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 some amount of hedging of risk against export, balance some amount is naturally hedged through our import & export.

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

During the financial year under review, the Company has issued and allotted 7,00,000 warrants carrying a right to subscribe for one Equity Share of Rs. 10/- each per warrant at a price of Rs. 111/- per warrant (Rupees One hundred

and Eleven Only) including premium of Rs. 101/- (Rupees One Hundred One Only) per share, aggregating to Rs. 7,77,00,000 (Rupees Seven Crores and Seventy Seven Lakhs only) to the promoter and promoter group of the Company, on a preferential basis. These warrants were allotted upon receipt of 25% of issue price viz. Rs. 27.75 per warrant aggregating to Rs. 1,94,25,000/- (Rupees One Crore Ninety Lakhs Twenty Five Thousand only). This amount was utilized for the purpose for which it was raised as follows:

Sr. No.	Purpose of raising funds	Amount utilized during the financial year 2020-21 (Rs.)
1.	Expansion plan (upto Rs. 5.50 Crores)	1,37,88,640
2.	Working capital requirements (upto to Rs. 2.27 Crores)	18,71,074
	Total	1,56,59,714

1.19 Plant locations:

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

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

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

1.20 Address for investor correspondence:

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

Bigshare Services Private Limited
 Unit: Vipul Organics Limited
 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road, Marol,
 Andheri (East),
 Mumbai – 400 059,
 Maharashtra
 Tel No.:+91-22-62638200
 Email ID: investor@bigshareonline.com

Ms. Kinjal Shah
 Company Secretary & Compliance Office
 102, Andheri Industrial Estate,
 Off Veera Desai Road,
 Andheri (West),
 Mumbai - 400 053
 Maharashtra
 Tel No.:+91-22-66139999
 Fax No.:+91-22-66139977/75
 Email ID:companysecretary@vipulorganics.com

1.21 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	Acuite Ratings & Research	Fund based working capital Limited	13.45	ACUITE BBB-/ Stable (Assigned)	Axis Bank
		Non- Fund based working capital	15.00	ACUITE A3 (Assigned)	
		Total	28.45		

E. DISCLOSURES:

1.1 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, 2021 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>.

1.2 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 during the last three years.

1.3 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 2020-21, no employee was denied access to the Audit Committee.

1.4 Policy for determining "material" subsidiaries:

As on 31st March, 2021, 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 the 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.

1.5 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 36 to the Standalone Financial Statements and to the Consolidated Financial Statements.

1.6 Recommendation by Committee:

During the financial year under review, the Board accepted all recommendations from all the committees of the Board, which are mandatorily required.

1.7 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 the 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.

1.8 Compliance of the requirements of Corporate Governance Report:

During the financial year 2020-21, 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.9 Disclosure of the Compliance with Corporate Governance:

The Company has complied with the Regulations 17 to 20, 22, 23, 24A, 25 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2020-21, whenever applicable. Regulations 21 and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

1.10 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 the 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.

1.11 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.

1.12 Code of Conduct for Prevention of Insider Trading:

The Company has in accordance with the provisions of the Securities and Exchange Board of India (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 company. 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.).

1.13 Certificate from Practicing Company Secretaries under Regulation 34(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

The Company has received a certificate pursuant to the Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from M/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 the 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.

1.14 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.

1.15 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, 2021. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

1.16 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.

1.17 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

1.18 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.

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

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN: 00181636

Mihir V. Shah
Whole Time Director
DIN: 05126125

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As per Regulation 17 and Schedule V of the 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 confirmed compliance with the Code of Conduct during the financial year ended 31st March, 2021.

For Vipul Organics Limited

Place : Mumbai
Date : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

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

To,
The Members of
Vipul Organics Limited
102, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai – 400 053

We have examined the compliance of conditions of corporate governance by Vipul Organics Limited ('the Company') for the financial year ended on 31st March 2021, 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 2021. 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
UDIN :21040087AAAAPE8584

Place : Mumbai

Date : 8th June, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of the
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 – 400 053

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 Part 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, 2021 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 the Company
1.	Mr. Vipul P. Shah	00181636	21.06.1992
2.	Dr. Shiv N. Sahai	00332652	10.12.1993
3.	Mr. Mihir V. Shah	05126125	01.04.2020
4.	Mr. Jagdeep Y. Mehta	00332523	15.12.2005
5.	Mr. Prasannakumar B. Gawde	01456510	31.03.2008
6.	Mrs. Megha S. 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

Place : Thane
Date : 8th June, 2021

CS Manish Baldeva
Proprietor
M. No. FCS: 6180
C.P. No. 11062
UDIN:F006180C000435246

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 on 31st March, 2021 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 on 31st March, 2021 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.

Other Matter

As mentioned in Note no. 50 to the Ind AS financial statements, during the year the scheme of Arrangement for the merger of Efferchem Private Limited (ECPL) with the Company has been approved by the National Company Law Tribunal, at Mumbai and the scheme became effective from 26th June, 2020 having the appointed date 1st April, 2017. The comparatives for the previous years have been restated by the Management of the Company to give the effect of the said scheme by including the financial statements of ECPL which are audited by other auditor, M/s J. A. Rajani & Co, Chartered Accountants, Mumbai for the financial year ended 31st March, 2020 and 31st March, 2019 and by giving such adjustments and effects as are required by the scheme of Arrangement. Our Audit has been restricted for the year ended on 31st March, 2021. We have traced the comparative figures as on 31st March, 2020 and 1st April, 2019, from the information as certified and provided by the Management of the Company.

Our opinion is not modified in respect of this matter.

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 35 on contingent liabilities).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R. A. Kuvadia
Proprietor
Membership No. 040087
UDIN: 21040087AAAAPE8584

Place: Mumbai
Date : 8th June, 2021

“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, 2021:

- 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) and Leasehold land & Building with book value Rs. 2783 (‘000) of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement.
- 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. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- 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 on 31st March, 2021 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 following: -

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. 2017-18	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
UDIN: 21040087AAAAPE8584

Place: Mumbai
Date : 8th June, 2021

“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, 2021 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 on 31st March, 2021 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
UDIN: 21040087AAAPE8584

Place: Mumbai
Date : 8th June, 2021

Standalone Balance Sheet as on 31st March, 2021

		(Rs. In `000s)	
	Note No.	31 st March, 2021	31 st March, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,73,342	3,17,873
Right of use assets	4	11,315	-
Intangible Assets	4	1,199	1,618
Capital work-in-progress	4	3,584	1,489
Investment in Subsidiaries	5	11,255	11,255
Other Investment-Financial Asset	5	11,151	5,591
Other non-current assets	6	35,494	36,786
		3,47,340	3,74,611
Current Assets			
Inventories	7	1,78,233	1,62,331
Financial assets			
Trade receivables	8	3,50,553	2,49,599
Cash and Cash equivalents	9	48,796	41,958
Other bank balances	10	12,040	9,937
Other Financial assets	11	4,721	5,557
Other current assets	12	1,31,191	1,16,681
		7,25,535	5,86,062
TOTAL		10,72,875	9,60,674
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	95,495	77,245
Other Equity	14	2,91,690	2,48,878
Advance Subscription against share warrants	15	19,425	-
Equity attributable to owners of the company		4,06,610	3,26,123
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	91,841	70,786
Lease Liabilities	17	10,112	-
Non Current provisions	18	177	441
Deferred tax liabilities (Net)	19	5,782	6,039
		1,07,912	77,266
Current Liabilities			
Financial Liabilities			
Borrowings	20	1,52,185	1,25,671
Trade payables	21		
Total Outstanding Dues -Micro and small enterprises		18,621	34,897
Trade payables		3,12,633	3,26,355
Other Financial liabilities	22	46,225	42,627
Other current liabilities	23	8,455	19,091
Short-term provisions	24	20,233	8,643
		5,58,353	5,57,284
TOTAL		10,72,875	9,60,674

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

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

Mihir V. Shah
Whole Time Director & CFO
DIN:05126125

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Standalone Statement of Profit & Loss for the financial year ended 31st March, 2021

		(Rs. In `000s)	
	Note No.	31 st March, 2021	31 st March, 2020
I. Revenue from operations	25	11,95,331	9,29,694
II. Other income	26	6,424	10,204
III. Total Revenue (I + II)		12,01,754	9,39,898
IV. Expenses:			
Cost of materials consumed	27	3,18,808	3,03,773
Purchases of Stock-in-Trade	27	4,32,005	3,91,793
Changes in Inventories of Stock-in-Trade	28	15,475	(54,502)
Employee benefits expense	29	54,557	48,205
Finance costs	30	13,564	9,233
Depreciation & Amortisation	31	58,087	20,249
Other Expenses	32	2,13,656	1,50,322
Total expenses		11,06,152	8,69,074
V. Profit before tax (III-IV)		95,602	70,824
VI. Tax expense:			
(1) Current tax	33	27,363	17,537
(2) Deferred tax		(314)	5,596
Total Tax expense		27,049	23,132
VII. Profit for the year (V-VI)		68,553	47,692
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligations		111	(888)
Income tax relating to above items that will not be reclassified to profit or loss		(31)	269
Other comprehensive income/(loss) net of tax		80	(619)
IX. Total comprehensive income net of tax (VII+VIII)		68,634	47,073
X. Earnings per equity share:	34		-
(1) Basic		7.19	4.93
(2) Diluted		7.19	4.93

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

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

Mihir V. Shah
Whole Time Director & CFO
DIN:05126125

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Standalone Cash Flow Statement for the financial year ended 31st March, 2021

	(Rs. In `000s)	
Particulars	31st March, 2021	31st March, 2020
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Prior Period Items	95,602	68,668
Adjustment for		
Depreciation and amortisation expense	58,087	19,924
Other Comprehensive Income	80	(888)
Interest Income	(759)	(712)
Dividend Income	(104)	(196)
Fair Value Gain on Financial Assets	(5,561)	2,008
Finance Cost	13,564	8,990
Operating Profit before Working Capital Changes	1,60,910	97,794
Adjustment for:		
Decrease/ (Increase) in Inventories	(15,902)	(76,624)
Decrease/ (Increase) in Trade Receivable	(1,00,955)	(35,986)
Decrease/ (Increase) in current asset/Other Financial Asset	(15,777)	(4,227)
Decrease/ (Increase) in non current Assets	1,292	15,360
Increase/(Decrease) in Trade Payables	(29,998)	1,53,676
Increase/ (Decrease) in other financial/Other Liabilities	(6,748)	12,453
Cash Generated from operations	(7,177)	1,62,446
Taxes Paid (Including TDS) (net)	(15,484)	(23,613)
Net Cash used in Operation	(22,661)	1,38,833
B Cash Flow from Investing Activities		
Purchase of Tangible and Intangible Assets	(14,855)	(1,12,554)
Interest /Dividend Income	655	908
Net Cash from Investing Activities	(14,200)	(1,11,646)
C Cash Flow from Financing Activities		
Proceeds from Equity/ Warrant issue	19,425	-
Increase/ (Decrease) in Long term borrowing	19,260	(2,948)
Increase/ (Decrease) in Short term borrowing	26,514	17,751
Dividend Paid	(7,936)	(7,038)
Finance cost Paid	(13,564)	(8,990)
Net Cash from Financing Activities	43,699	(1,225)
Net Increase in Cash & Cash Equivalents	6,838	25,962
Opening Balance of Cash & Cash Equivalents	41,958	16,028
Closing Balance of Cash & Cash Equivalent	48,796	41,990

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
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For and on behalf of the Board of Directors
of Vipul Organics Limited

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Statement of Changes in Equity for the financial year ended 31st March, 2021

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

(Rs. In `000s)

	31 st March, 2021		31 st March, 2020	
	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	18,25,000	18,250	-	-
Balance at the end of the reporting period	95,49,500	95,495	77,24,500	77,245

b. Other Equity

	Share Suspense Account	Reserves and Surplus					Total
		Securities premium	Capital Reserve	General reserve	Retained Earnings	Other Comprehensive Income	
Balance at 31st March, 2019	18,250	96,978	6,278	9,010	78,629	110	2,09,255
Profit for the year		-	-	-	47,692	(619)	47,073
Addition / reduction during the year		-	-	-	(7,450)	-	(7,450)
Balance at 31st March, 2020	18,250	96,978	6,278	9,010	1,18,871	(508)	2,48,878
Profit for the year		-	-	-	68,553	-	68,553
Reduction -Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 50)	(18,250)	-	-	-	(7,640)	80	(25,809)
Balance at 31st March, 2021	-	96,978	6,278	9,010	1,79,785	(428)	2,91,622

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
 Membership No. 040087

Place : Mumbai
 Dated : 8th June, 2021

Vipul P. Shah
Managing Director
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 DIN:05126125

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

Shiv Nath Sahai
Director
 DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
 Membership No.: A58678

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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.

During the year, erstwhile Efferchem Private Limited (ECPL) has been merged with the Company with an appointed date of 1st April, 2017 pursuant to the Scheme of Arrangement for merger.

The standalone financial statements for the year ended 31st March, 2021 were considered by the Board of Directors and approved for issuance on 8th June, 2021.

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

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected. In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements."

2.1 Revenue recognition

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

2.2 Impairment of investments in subsidiaries

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

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.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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

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

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

3.2 Depreciation

Depreciation on Property, plant and equipment has been provided on written down value basis and manner prescribed in Schedule II to the Act. Depreciation on additions during the year has been provided on pro-rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on pro-rata 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.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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 (1st April, 2016). Also, in accordance with Ind AS 27 company has elected the policy to account investments in subsidiaries at cost."

Derecognition:

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

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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.

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.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021**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

The Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1st April, 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. The Company's lease asset classes primarily consist of leases of land and building. At the date of commencement of lease, the Company recognised a right-to-use assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-to-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-to-use of assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset right-to use of assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with corresponding adjustment to the related right to use of asset if company changes its assessment if whether it will exercise an extension or termination option.

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.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.13 Income Taxes

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

Current tax

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

Deferred Tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

Notes to the Standalone financial statements for the financial year ended 31st March, 2021**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.

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.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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.

4. Property, plant and equipment:

		Gross Block						Accumulated depreciation / amortisation				Net block		(Rs. In `000s)
		As at 1 st April, 2020	Additions during the year	Deletion during the year	Translation adjustments	As at 31 st March, 2021	As at 1 st April, 2020	Additions during the year	Deletion during the year	Translation adjustments	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	
A	Property, plant and equipment													
	Factory Land	28,291	-	-	-	28,291	-	-	-	-	-	28,291	28,291	
	Factory Building	1,11,859	-	-	-	1,11,859	5,957	10,093	-	-	16,050	1,05,902	95,809	
	Plant & Machinery	2,05,410	8,854	-	-	2,14,264	31,913	43,527	-	-	75,440	1,73,497	1,38,824	
	Furniture & Fixtures	8,672	607	-	-	9,279	3,365	1,453	-	-	4,818	5,307	4,462	
	Motor Car/Vehicles	6,703	2,815	-	-	9,518	4,969	811	-	-	5,780	1,734	3,738	
	Office Equipment	3,402	246	-	-	3,647	1,737	783	-	-	2,519	1,665	1,128	
	Computer	3,345	239	-	-	3,584	2,225	607	-	-	2,832	1,120	751	
	Office Building	435	-	-	-	435	79	17	-	-	96	356	339	
	Total A	3,68,118	12,760	-	-	3,80,878	50,245	57,290	-	-	1,07,535	3,17,873	2,73,342	
B	Right to use assets (refer note 4B)	-	11,693	-	-	11,693	-	378	-	-	378	-	11,315	
	Total B	-	11,693	-	-	11,693	-	378	-	-	378	-	11,315	
								57,290				2,89,582	2,45,052	
C	Capital work-in-progress	1,489	2,095	-	-	3,584	-	-	-	-	-	1,489	3,584	
	Total C	1,489	2,095	-	-	3,584	-	-	-	-	-	1,489	3,584	
						-								
D	Intangible Assets													
	Software	2,204	-	-	-	2,204	586	419	-	-	1,005	1,618	1,199	
	Total D	2,204	-	-	-	2,204	586	419	-	-	1,005	1,618	1,199	

Some assets of which the company is beneficial owner are pending for transfer in the name of the company.

Refer note 16 & 20 for assets provided as security.

Factory Building includes Rs. 27.83 Lakhs bookvalue of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement, which are in the process of being transferred in the name of the Company.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

Property, plant and equipment:

		(Rs. in `000s)											
		Gross Block					Accumulated depreciation / amortisation				Net block		
		As at 1 st April, 2019 **	Additions during the year	Deletion during the year	Translation adjustments	As at 31 st March, 2020	As at 1 st April, 2019 **	Additions during the year	Deletion during the year	Translation adjustments	As at 31 st March, 2020	As at 1 st April, 2019 **	As at 31 st March, 2020
A	Property, plant and equipment												
	Factory Land	27,019	1,272	-	-	28,291	-	-	-	-	-	27,019	28,291
	Factory Building	7,757	1,04,103	-	-	1,11,859	3,449	2,508	-	-	5,957	4,308	1,05,902
	Plant & Machinery	41,236	1,64,175	-	-	2,05,410	17,604	14,309	-	-	31,913	23,632	1,73,497
	Furniture & Fixtures	4,369	4,303	-	-	8,672	2,630	735	-	-	3,365	1,739	5,307
	Electrical Installation	-	-	-	-	-	-	-	-	-	-	-	-
	Lab Equipment	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicles	6,915	489	701	-	6,703	4,891	723	645	-	4,969	2,023	1,734
	Office Equipment	1,812	1,590	-	-	3,402	1,278	458	-	-	1,737	534	1,665
	Computer	2,726	619	-	-	3,345	1,287	938	-	-	2,225	1,438	1,120
	Office Building	435	-	-	-	435	61	18	-	-	79	375	356
	Total A	92,268	2,76,550	701	-	3,68,118	31,200	19,690	645	-	50,245	61,069	3,17,873
B	Capital work-in-progress	1,65,500	1,03,237	2,67,247	-	1,489	-	-	-	-	-	1,65,500	1,489
	Total B	1,65,500	1,03,237	2,67,247	-	1,489	-	-	-	-	-	1,65,500	1,489
C	Intangible Assets												
	Software	2,134	70	-	-	2,204	27	559	-	-	586	2,107	1,618
	Total C	2,134	70	-	-	2,204	27	559	-	-	586	2,107	1,618
D	Intangible assets under development												
	Software development	1,826	307	2,134	-	-	-	-	-	-	-	1,826	-
	Total D	1,826	307	2,134	-	-	-	-	-	-	-	1,826	-

** Gross block & Accumulated depreciation Includes all asset taken over of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement refer note 50

Some assets of which the company is beneficial owner are pending for transfer in the name of the company.

Refer note 16 & 20 for assets provided as security.

Factory Building includes Rs 27.83 Lakhs bookvalue of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement, which are in the process of being transferred in the name of the Company.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
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)		11,110	5,549
(b) Investments in Government Securities :			
Government Securities (Unquoted at cost)		1	1
(Deposited with Government authorities)			
(c) Investments in Debentures:		41	41
Debentures (at Cost)		11,151	5,591

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

(Rs. In `000s)				
Particulars	As on			
	31 st March, 2021		31 st March, 2020	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	66	1,000	20
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	10	100	7
Arvind Fashion Ltd (200 (prev Yr 200) Equity shares Fully paid of Rs.4 Each)	200	28	200	29
The Anup engg Ltd (37 (prev Yr 37)Equity shares Fully paid of Rs.10 Each)	37	21	37	12
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	225	2,500	106
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	54	8,400	22

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

Particulars	(Rs. In `000s)			
	As on			
	31 st March, 2021		31 st March, 2020	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev. Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	73	895	33
HLV Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	6	1,000	3
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	110	1,250	53
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	208	500	135
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	30	346	22
Navin Flourine International Ltd.(1730 (Prev.Yr. 1730) Equity shares Fully paid of Rs.2 Each)	1,730	4,766	1,730	2,118
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	3,455	20,000	1,316
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	276	500	251
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	210	3,000	110
Petronet LNG Ltd.(6000 (Prev.Yr. 6000) Equity shares Fully paid of Rs.10 Each)	6,000	1,348	6,000	1,199
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	195	9,900	94
Bank of Baroda Ltd.(402 (prev Yr 420)Equity shares fully Paid Rs. 2/- Each)	402	30	402	22
		11,110		5,549

	(Rs. In `000s)	
	31 st March, 2021	31 st March, 2020
6 Other Non Current Assets:		
(Unsecured and considered good)		
Capital Advances-Related (Refer note 39)	20,475	20,475
Capital Advances-Others	1,296	736.00
Deposits with Government Authorities and Others (Refer note 39 ,47 & 49)	13,723	13,728.00
Loans and advances -Others	-	1,847
	35,494	36,786

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
7 Inventories:			
(At cost or net realisable value whichever is lower)			
(a) Raw materials & Others		78,530	47,153
(b) Finished goods		99,703	1,15,178
Total		1,78,233	1,62,331
8 Trade receivables (Unsecured):			
Considered Good			
Overdue Trade Receivables		11,836	20,543
Trade Receivables		3,38,717	2,29,056
Total		3,50,553	2,49,599
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		38,714	40,132
In EEFC Account		9,261	157
Cash in Hand		821	1,668
Total		48,796	41,958
10 Other bank balances:			
Earmarked Balance			
Unpaid Dividend Account		686	1,372
In Fixed deposit		11,354	8,566
Total		12,040	9,937
11 Other Financial assets:			
Deposit to Related parties (refer Note no 39)		4,668	5,000
Financial Asset liability on account of derivatives		53	557
Total		4,721	5,557

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

			(Rs. In `000s)	
			31 st March, 2021	31 st March, 2020
12	Other current assets:			
	(Unsecured and considered good)			
	Loans and advances to Related parties (refer Note no 39)		19,411	27,091
	Loans and advances to Employees		318	33
	Prepaid Expenses		4,052	275
	Balance with Government Authorities			
	GST		58,014	39,863
	MVAT Refund		2,045	2,461
	Service Tax		290	290
	Advances recoverable in cash or kind or for value to be received			
	Export Incentive		19,958	13,573
	Advance to Suppliers		15,884	19,239
	Claim Receivable (Refer note 47)		6,754	9,415
	Others/Income tax		4,467	4,441
	Total		1,31,191	1,16,681

13 Equity Share capital:

a) Equity Share capital

					(Rs. In `000s)	
					(Except no of shares)	
					31 st March, 2021	31 st March, 2020
					No of shares	Amount
Authorised Share Capital:						
Equity shares of Rs.10 each					1,05,00,000	1,05,000
Issued, Subscribed and Fully Paid-up Shares:						
Equity shares of Rs.10 each fully paid up					95,49,500	95,495

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

					31 st March, 2021		31 st March, 2020	
					No of shares	Amount	No of shares	Amount
Outstanding at beginning of the year					77,24,500	77,245	77,24,500	77,245
Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 50)					18,25,000	18,250	-	-
Balance as at End of Year					95,49,500	95,495	77,24,500	77,245

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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 31st March, 2021, the amount of per share dividend recognised as Rs 0.80 (31st March, 2020 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, 2021		31 st March, 2020	
	No of shares	% of Holding	No of shares	% of Holding
Vipul P. Shah	20,46,100	21.43%	9,26,100	11.99%
Mihir V. Shah	14,52,600	15.21%	11,60,600	15.02%
Vatsal V. Shah	12,43,400	13.02%	9,33,150	12.08%
Mita V. Shah	5,12,500	5.37%	4,39,500	5.69%
Jaya P. Shah	4,86,500	5.09%	4,50,000	5.83%
	57,41,100	60.12%	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, 2021	31 st March, 2020
14 Other Equity:			
Share Suspense Account		-	18,250
Reserves and surplus:			
Capital Reserve		6,278	6,278
Securities Premium		96,978	96,978
General Reserve		9,010	9,010
Retained Earnings		1,79,853	1,18,871
Other reserves-Accumulated other comprehensive income		(428)	(508)
	Total	2,91,690	2,48,878
Share Suspense Account			
Balance at beginning of year		18,250	18,250
Add /Less: Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 50)		(18,250)	-
Balance at end of year		-	18,250

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

	(Rs. In `000s)	
	31st March, 2021	31st March, 2020
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: 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	1,18,871	78,629
Add: Profit after Tax for the year	68,553	47,692
Less: Appropriations:		
Opening Balance impact of IND AS 116	68	-
Dividend - Final	(7,640)	(7,450)
Balance at end of year	1,79,853	1,18,871
Proposed dividend on equity shares not recognised		
Final dividend for the year ended Rs. 0.9 per share (PY Rs. 0.8 per share)	7,640	6,180
Dividend distribution tax on proposed dividend	-	-
14.5 Other reserves-Accumulated other comprehensive income		
Balance at beginning of year	(508)	110
Other comprehensive income	80	(619)
Balance at end of year	(428)	(508)
15 Advance Subscription against share warrants:		
Preferential Share Warrant		
7,00,000 (Previous year Nil) Preferential Share warrant paid up Rs. 10 each	19,425	-
	19,425	-

The Company had allotted 7,00,000 (Seven Lakhs) Warrants, carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 111/- per Warrant (Rupees One hundred and Eleven Only) including premium of Rs. 101/- (Rupees One Hundred One Only) per share, aggregating to Rs. 7,77,00,000/- (Rupees Seven Crores and Seventy Seven Lakhs only) upon receipt of 25% of the issue price were allotted to the promoter and promoter group on a preferential basis on 23rd February, 2021

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
16 Long term borrowings:			
(a) Secured Loans			
Term Loan from Bank			
Loan from Bank Against Vehicles		1,055	-
Loan from Bank Against Proposed Plant & Machinery / Factory Building Tarapore		90,692	70,692
(refer note 22 -Current Maturity of long term Loan)			
Sub Total (a)		91,747	70,692
(b) Unsecured Loans			
Loan from Director/relative of Directors**		95	95
Sub Total (b)		95	95
Total (A) + (B)		91,841	70,786

** (Loan from Director/relative of Directors are pertaining to erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement refer note no 50)

Term Loans from Banks-Against Vehicles

Rs. 1800 ('000) (Previous Year Rs.Nil ('000)) secured by hypothecation of vehicle from Bank of Baroda repayable in 36 Equal monthly instalments and carry interest rate of 7.45 % p.a.

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

Rs. 68675 ('000) (Previous Year Rs.89892 ('000)) secured by hypothecation of movable fixed assets and Factory Building at Tarapur wherein in Term loan for Rs 90000 ('000) principal payable in equal monthly installment of Rs. 1170 ('000) 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 Hypothecation on Stock and Book debts present and future on pari-passu basis with Bank of Baroda . Along with personal guarantee of Mr. Vipul Shah & Mr. Mihir Shah.

Rs. 34000 ('000) (Previous Year Rs.0 ('000)) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit guarantee by NCGTC principal payable in equal monthly installment of Rs. 944 ('000) over period of 36 months after initial moratorium period of 12 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 8.25%

Rs. 12400 ('000) (Previous Year Rs.0 ('000)) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit guarantee by NCGTC principal payable in equal monthly installment of Rs. 344 ('000) over period of 36 months after initial moratorium period of 12 months from date of disbursement from Bank of Baroda and carry interest rate of BRLRR + 1%.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
17 Lease Liabilities:			
Lease Liabilities (refer note 4B)		10,112	-
Total		10,112	-
18 Non Current Provision:			
Provision for Gratuity		177	441
Total		177	441
19 Deferred Tax Liabilities:			
Major components of deferred tax are:			
Related to Property, Plant & Equipment		6,360	6,448
Others		(578)	(409)
Net Deferred Tax Liability		5,782	6,039
20 Short-term borrowings:			
Loans repayable on demand			
From banks			
Secured		1,52,185	1,24,266
From other parties			
Unsecured		-	1,405
Total		1,52,185	1,25,671

From Bank of Baroda

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

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

From Axis Bank

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

- Factory Land & building & Movable Fixed assets at Plot no T-115, Tarapur Industrial Area, Village Pamtembhi, Taluka Palghar, Thane.
- Also covered in personal guarantee of Vipul Shah & Mihir Shah.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

(Rs. In `000s)

	31 st March, 2021	31 st March, 2020
21 Trade payables:		
Total Outstanding Dues -Micro and small enterprises	18,621	34,897
Total Outstanding Dues -Other than micro & small enterprises **	3,12,633	3,26,355
Total	3,31,254	3,61,252

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	18,621	34,897
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.	245	585
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.	245	585

22 Other Financial Liabilities:

Creditors for Fixed Assets & Provision for Expenses	18,205	22,005
Current Maturity of long term	25,368	19,200
Unclaimed Dividend	1,307	1,372
Lease Liabilities (refer note 4B)	1,295	-
Deposit from Dealers	50	50
Total	46,225	42,627

23 Other current liabilities:

Advance from Customers	6,435	15,291
Duties & taxes	2,020	3,800
Total	8,455	19,091

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
24	Short-term provisions:		
	Provision for Tax	20,233	8,643
	Total	20,233	8,643
25	Revenue from operations:		
	Export sales	9,57,405	7,45,893
	Local sales	2,15,072	1,58,659
	Export incentives	22,853	25,142
	(Dyestuff , Organic Pigments and Intermediates)		
	Total	11,95,331	9,29,694
26	Other income:		
	Interest on Deposit with Banks & Others	686	896
	Interest on Security Deposit-IND AS	73	-
	Dividend on Investments	104	196
	Fair Value Gain on Financial Assets	5,561	-
	Exchange Gain/Loss	-	8,825
	Gain/(Loss on sale of asset)	-	287
	Total	6,424	10,204
27	a) Cost of materials consumed:		
	(Chemicals & Others)		
	Opening Stock	46,286	24,961
	Add: Purchases	3,49,434	3,25,097
	Less: Closing Stock	76,912	46,286
	Total	3,18,808	3,03,773
	b) Purchases of Stock-in-Trade		
	Dyestuff , Organic Pigments and Intermediates	4,32,005	3,91,793
	Total	4,32,005	3,91,793
28	Changes in Inventories of Stock-in-Trade:		
	Inventories at the end of the year		
	Dyestuff , Organic Pigments and Intermediates	99,703	1,15,178
	Sub-total (A)	99,703	1,15,178
	Inventories at the beginning of the year		
	Dyestuff , Organic Pigments and Intermediates	1,15,178	60,677
	Sub-Total (B)	1,15,178	60,677
	(A) -(B)	15,475	(54,502)

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
29 Employee benefits expense:			
Salaries, Wages, Bonus and Gratuity		51,327	46,231
Contribution to Provident Fund and Other Funds		3,230	1,974
Total		54,557	48,205
30 Finance costs:			
Bank Interest		12,007	7,715
Bank Charges-Processing Fees		1,435	1,275
Other Interest		122	243
Total		13,564	9,233
31 Depreciation & Amortisation:			
Depreciation Expenses(Refer note no 4)		57,709	20,249
Amortisation of Lease Refer note no 4B		378	-
Total		58,087	20,249
32 Other Expenses:			
Power and Fuel		54,117	20,702
Factory Rent		500	1,325
Factory Expenses		5,658	5,207
Labour & Transport		41,820	29,015
Repairs & Maintenance		11,374	8,179
Packing Material		14,448	9,816
Export Clearing ,Freight & Forwarding		36,241	16,341
Professional & Legal Charges		10,722	12,006
Travelling Expenses		2,320	10,047
Insurance Charges		4,715	5,979
Rent ,Rates & Electricity		5,341	4,816
Donation /Corporate Social Responsibility Expense (Refer note no 48)		1,606	2,066
Exchange Gain /Loss		4,253	-
Commission		8,644	6,075
Fair Value Loss/(Gain) on Financial Assets		-	2,008
Miscellaneous/ Office Expenses		11,038	16,147
Business Promotion (Net of Subsidy for Foreign Product registration)		859	592
Total		2,13,656	1,50,322

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

(Rs. In `000s)

	31 st March, 2021	31 st March, 2020
33 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	95,602	70,824
Weighted average enacted tax rates in India	27.82%	27.82%
Computed tax expense	26,597	19,703
Tax effect of:		
Deduction under Chapter VI A	179	287
Exemption / profit link incentives	(167)	(269)
Other exempt income	(29)	(55)
Previous year tax / Others-Interest	2,017	2,907
Fair Value Gain on Financial Assets	(1,547)	559
Actual Tax Expense	27,049	23,132
Current Tax	27,363	17,537
Deferred tax	(314)	5,596
Tax expense reported in the statement of profit and loss	27,049	23,132

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 2021.

34 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.	68,634	47,073
Weighted Average number of shares outstanding during the year - (B)	Nos.	95,49,500	95,49,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs.	7.19	4.93

Earnings per share for the previous year have been computed after considering the shares issued to the shareholders of Efferchem Private Limited

35 Contingent liabilities and Commitments:

(i) Contingent Liabilities

(a) Income tax matters not acknowledged as debt	22085	22085
(b) Dues Raised by M.S.E.B which is protested by Company.	250	250

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

(Rs. In `000s)

	31 st March, 2021	31 st March, 2020
(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.)		
	22440	22440
(ii) Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1000	1500
	1000	1500
36 Payments to Auditors for the year:		
Auditors' Remuneration & Expenses		
(a) As Auditors	470	470
(b) Certification and Other matters	140	173
Total	610	643

37 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.

38 Derivative Instruments and Unhedge Foreign Currency exposure:

Derivative Outstanding as at the Reporting date

	As on 31 st March, 2021		As on 31 st March, 2020	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	600	43,440	600	45,234

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, 2021		As on 31 st March, 2020	
		Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
Trade receivable	USD '000	3,186	2,30,653	2,233	1,68,338
	EURO '000	118	10,083	21.104	1,754
Trade payables & borrowings		956	69,192	849	63,979

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

39 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 Vipul P. Shah

Mr Mihir V. Shah

Dr. Shiv Nath Sahai

Mr Jagdeep Y. Mehta

Mrs Megha S. Bhatti

Mr. Prasannakumar B. Gawde

c) Relatives of KMP

Ms. Jaya P. Shah

Vipul P. Shah HUF

Mrs Mita V. Shah

Mrs Niloni M. Shah

Mr Vatsal V. Shah

Mrs Kavita J. Varaiya

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

Jayshree Chemicals

Amar Trading Corporation

Standardcon Pvt.Ltd.

Jayapriya Chemical Industries Limited

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2021

(Rs. In `000s)

Nature of transaction	Year	Subsidiary	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2020-2021	20,845	-	480	20,781
	2019-2020	15,286	-	300	37,157
Sale/Services/Interest	2020-2021	9,833	-	-	5,790
	2019-2020	8,520	-	-	8,987
Share/Warrant Subscription received	2020-2021	-	12,488	6,938	-
	2019-2020	-	-	-	-
Mangerial Remuneration / Salary/Sitting Fees	2020-2021	-	12,101	966	-
	2019-2020	-	7,999	3,680	-
Balance Receivable/(Payable)	31-03-2021	1,589	(467)	21,123	38,962
	31-03-2020	3,355	(85)	21,106	38,649

Notes to the Standalone financial statements for the financial year ended 31st March, 2021
40 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.

(Rs. In `000s)

A	As at 31 st March, 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	2,49,599	2,49,599	-	-	-
	Cash and cash equivalents	41,958	41,958	-	-	-
	Other bank balances	9,937	9,937	-	-	-
	Other Financial Assets	5,557	5,557	-	-	-
	Total	3,23,896	3,18,347	5,549	-	-
	Financial liabilities					
	Other non-current financial liability	70,786	70,786	-	-	-
	Trade and other payables	3,61,252	3,61,252	-	-	-
	Other current financial liabilities	1,68,298	1,68,298	-	-	-
	Total	6,00,336	6,00,336	-	-	-

(Rs. In `000s)

B	As at 31 st March, 2021	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	22,406	11,296	11,110	-	-
	Trade Receivables	3,50,553	3,50,553	-	-	-
	Cash and cash equivalents	48,796	48,796	-	-	-
	Other bank balances	12,040	12,040	-	-	-
	Other Financial Assets	4,721	4,721	-	-	-
	Total	4,38,516	4,27,406	11,110	-	-
	Financial liabilities					
	Other non-current financial liability	91,841	91,841	-	-	-
	Trade and other payables	3,31,254	3,31,254	-	-	-
	Other current financial liabilities	1,98,410	1,98,410	-	-	-
	Total	6,21,505	6,21,505	-	-	-

During the reporting period ending 31st March 2021 and 31st March 2020, there was no transfer between level 2 and level 3 fair value measurements.

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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.

41 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, 2021	31 st March, 2020
Considered Good		
0-12 Months	3,38,717	2,29,056
More Than 1 year	11,836	20,543
Carrying Amount of receivable	3,50,553	2,49,599

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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, 2020		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	70,786	70,786
Trade and other payables	3,26,355	-	3,26,355
Other current financial liabilities	1,68,298	-	1,68,298
Total Financial Liabilities	4,94,653	70,786	5,65,439

Financial Liabilities	As at 31 st March, 2021		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	91,841	91,841
Trade and other payables	3,31,254	-	3,31,254
Other current financial liabilities	1,98,410	-	1,98,410
Total Financial Liabilities	5,29,664	91,841	6,21,505

iii) Market risk

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

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

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

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

a) Foreign currency risk

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

Foreign currency exposure	Currency	31 st March, 2021	31 st March, 2020
Trade receivables & Advance	USD in '000	3,786	2,833
Net exposure to foreign currency risk (assets)		3,786	2,833
Trade payables	USD in '000	454	411
Current Borrowings	USD in '000	141	141
Other financial liabilities	USD in '000	-	-
Net exposure to foreign currency risk (liabilities)	USD in '000	595	552
Rupee Conversion Rate		72.40	75.39

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 31st March, 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, 2021		31 st March, 2020	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	11,552	(11,552)	8,599	(8,599)
Increase / (decrease) in profit and loss	11,552	(11,552)	8,599	(8,599)

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 Standalone financial statements for the financial year ended 31st March, 2021
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, 2021	31 st March, 2020
Current Borrowings		
Variable rate borrowings	1,77,553	1,43,466
	1,77,553	1,43,466

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, 2021		31 st March, 2020	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(888)	888	(717)	717
Increase / (decrease) in profit and loss	(888)	888	(717)	717

42 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, 2021	31 st March, 2020
Borrowings (long-term and short-term borrowings including current maturities)	2,69,394	2,14,252
Cash & Cash Equivalent including Other current financial asset	65,557	57,452
Adjusted net debt	2,03,837	1,56,800
Total Equity	4,06,610	3,26,123
Adjusted net debt to equity ratio	0.50	0.48

43 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, 2021	31 st March, 2020
Shree Ambika Naturals Private Ltd	56.04%	56.04%

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

- 44** The Board of Directors of the Company has recommended a final dividend of Rs. 0.90 per equity share for the year ended 31st March, 2021 (Previous Year Rs. 0.80 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.
- 45** 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.
- 46** 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.

47 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 process and management does not see any loss on account of under insurance or otherwise.

48 Corporate Social Responsibility Expense	31st March, 2021	31st March, 2020
<i>Amount required to be spent during the year</i>		
Corporate Social Responsibility Expense	1,024	730
<i>Amount spent during the year (paid in cash)</i>		
i) Acquisition /construction of any asset	-	-
ii) Purpose other than above (i)	1,606	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)	-	-
	1,606	750

- 49** Due to the outbreak of Pandemic "Novel Coronavirus" (COVID - 19), the Company continues to take various precautionary measures to protect employees from COVID - 2019 and has encouraged work from home for its employees at its offices and maximizing digital modes of communication. Considering the continue uncertainty, the management continues to monitor material changes. Further, the management expects to recover the carrying amount of trade receivables, investments and realization of inventories and does not anticipate any major financial or operational issue as on the date of approval of this results.
- 50** Business Combination :The scheme of Arrangement for the merger of Efferchem Private Limited (ECPL) with the Vipul Organics Limited (the scheme) has been approved by the National Company Law Tribunal ("NCLT") at Mumbai vide their order dated May 15, 2020. Upon the filing of the order with the Registrar of Companies, Mumbai the scheme became effective from June 26, 2020 having the appointed date 1st April, 2017. The scheme has been accounted under the pooling of interest method with effect from appointed date as per the above mentioned NCLT order and accordingly the comparatives for the earlier periods / year have been restated. 18,25,000 new equity shares of Rs. 10/ each fully paid up of the Company were allotted on 30th June 2020 to the shareholders of Efferchem Private Limited pursuant to the Scheme of Amalgamation of. Consequent to the allotment, the paid-up Capital of Vipul Organics Limited has

Notes to the Standalone financial statements for the financial year ended 31st March, 2021

increased to Rs. 9,54,95,000/- divided into 95,49,500 equity shares of Rs. 10/- each fully paid up. Earnings per share for the quarter and for all earlier periods / year have been computed after considering the shares to be issued to the shareholders of (ECPL) and disclosed as share suspense in the results for previous year. ECPL is in the same business of manufacturing of Pigments , Napthols and Fast Salts.

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

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

Mihir V. Shah
Whole Time Director & CFO
DIN:05126125

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

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, 2021 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, 2021 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.

As mentioned in Note no. 50 to the Ind AS financial statements, during the year the holding company under the scheme of Arrangement for the merger of Efferchem Private Limited (ECPL) with the holding Company has been approved by the National Company Law Tribunal, at Mumbai and the scheme became effective from June 26, 2020 having the appointed date 1st April, 2017. The comparatives for the previous years have been restated by the Management of the holding Company to give the effect of the said scheme by including the financial statements of ECPL which are audited by other auditor, M/s J. A. Rajani & Co, Chartered Accountants, Mumbai for the year ended 31st March, 2020 and 31st March, 2019 and by giving such adjustments and effects as are required by the scheme of Arrangement. Our Audit has been restricted for the year ended on 31st March, 2021. We have traced the comparative figures as at 31st March, 2020 and 1st April, 2019, from the information as certified and provided by the Management of the holding Company.

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.10707/- ('000) as at 31st March, 2021, total revenue of Rs. 16615/- ('000), total net loss after tax of Rs. 29/- ('000) and net cash inflow amounting to Rs. 571/- ('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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 35 on contingent liabilities).
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and 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
UDIN: 21040087AAAAPE8584

Place: Mumbai
Date: 8th June, 2021

“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, 2021 :

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, 2021 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, 2021, 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
UDIN: 21040087AAAPE8584

Place: Mumbai
Date: 8th June, 2021

Consolidated Balance Sheet as on 31st March, 2021

			(Rs. In `000s)
	Note No.	31 st March, 2021	31 st March, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,73,581	3,19,750
Right of use assets	4	11,315	-
Intangible Assets	4	1,199	1,618
Capital work-in-progress	4	3,584	1,489
Other Investment-Financial Asset	5	11,151	5,591
Other non-current assets	6	35,551	36,843
		3,36,381	3,65,291
Current Assets			
Inventories	7	1,80,843	1,66,214
Financial assets			
Trade receivables	8	3,53,747	2,51,026
Cash and Cash equivalents	9	49,989	42,582
Other bank balances	10	12,040	9,937
Other Financial assets	11	4,721	5,446
Other current assets	12	1,31,748	1,17,917
		7,33,089	5,93,121
TOTAL		10,69,471	9,58,413
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	95,495	77,245
Other Equity	14	2,89,508	2,46,712
Advance Subscription against share warrants	15	19,425	-
Equity attributable to owners of the company		4,04,428	3,23,957
Non-Controlling Interest		(1,377)	(1,364)
		4,03,051	3,22,594
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	91,841	70,786
Lease Liabilities	17	10,112	-
Non Current provisions	18	177	441
Deferred tax liabilities (Net)	19	4,654	4,911
		1,06,785	76,138
Current Liabilities			
Financial Liabilities			
Borrowings	20	1,52,185	1,25,671
Trade payables	21		
Total Outstanding Dues -Micro and small enterprises		18,621	35,083
Trade payables		3,13,770	3,28,327
Other Financial liabilities	22	46,353	42,627
Other current liabilities	23	8,473	19,284
Short-term provisions	24	20,233	8,688
		5,59,635	5,59,681
TOTAL		10,69,471	9,58,413

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

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

Mihir V. Shah
Whole Time Director & CFO
DIN:05126125

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Consolidated Statement of Profit & Loss for the financial year ended 31st March, 2021

		(Rs. In `000s)	
	Note No.	31 st March, 2021	31 st March, 2020
I. Revenue from operations	25	11,86,998	9,22,480
II. Other income	26	6,530	10,204
III. Total Revenue (I + II)		11,93,528	9,32,684
IV. Expenses:			
Cost of materials consumed	27	3,07,153	2,94,306
Purchases of Stock-in-Trade	27	4,32,005	3,91,793
Changes in Inventories of Stock-in-Trade	28	15,358	(55,860)
Employee benefits expense	29	56,214	49,939
Finance costs	30	13,564	9,233
Depreciation & Amortisation	31	58,264	20,474
Other Expenses	32	2,15,394	1,51,883
Total expenses		10,97,953	8,61,767
V. Profit before tax (III-IV)		95,576	70,917
VI. Tax expense:			
(1) Current tax	33	27,365	17,537
(2) Deferred tax		(314)	5,549
Total Tax expense		27,051	23,086
VII. Profit for the year (V-VI)		68,525	47,831
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligations		111	(888)
Income tax relating to above items that will not be reclassified to profit or loss		(31)	269
Other comprehensive income/(loss) net of tax		80	(619)
IX. Total comprehensive income net of tax (VII+VIII)		68,605	47,212
Attributable to:			
Owners of the Company		68,618	47,151
Non Controlling Interest		(13)	61
X Earnings per equity share:	34		-
(1) Basic		7.19	4.94
(2) Diluted		7.19	4.94

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Place : Mumbai
Dated : 8th June, 2021

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Managing Director
DIN:00181636

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Consolidated Statement of Cash Flow for the financial year ended 31st March, 2021

Particulars	(Rs. In `000s)	
	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Prior Period Items	95,576	68,760
Adjustment for		
Depreciation and amortisation expense	58,264	20,149
Other Comprehensive Income	80	(888)
Interest Income	612	(712)
Dividend Income	(104)	(196)
Fair Value Gain on Financial Assets	(5,561)	2,008
Finance Cost	13,564	8,990
Operating Profit before Working Capital Changes	1,62,431	98,111
Adjustment for:		
Decrease/ (Increase) in Inventories	(14,629)	(77,137)
Decrease/ (Increase) in Trade Receivable	(1,02,721)	(32,630)
Decrease/ (Increase) in current asset/Other Financial Asset	(15,210)	(4,980)
Decrease/ (Increase) in non current Assets	1,293	13,117
Increase/(Decrease) in Trade Payables	(31,019)	1,53,973
Increase/ (Decrease) in other financial/Other Liabilities	(5,380)	12,263
Cash Generated from operations	(5,235)	1,62,717
Taxes Paid (Including TDS) (net)	(15,484)	(23,613)
Net Cash used in Operation	(20,718)	1,39,104
B Cash Flow from Investing Activities		
Purchase of Tangible and Intangible Assets	(14,855)	(1,12,554)
Interest Income	(716)	908
Net Cash from Investing Activities	(15,571)	(1,11,646)
C Cash Flow from Financing Activities		
Proceeds from Equity/ Warrant issue	19,425	-
Increase/ (Decrease) in Long term borrowing	19,259	(2,948)
Increase/ (Decrease) in Short term borrowing	26,514	17,751
Finance cost Paid	(13,564)	(8,720)
Dividend Paid	(7,936)	(7,338)
Net Cash from Financing Activities	43,698	(1,255)
Net Increase in Cash & Cash Equivalents	7,408	26,203
Opening Balance of Cash & Cash Equivalents	42,584	16,381
Closing Balance of Cash & Cash Equivalent	49,992	42,584

Previous Year Figures are as per last published financial statement

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
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of Vipul Organics Limited

Shiv Nath Sahai
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Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Consolidated Statement of Changes in Equity for the financial year ended 31st March, 2021

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

(Rs. In `000s)

	31 st March, 2021		31 st March, 2020	
	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	18,25,000	18,250	-	-
Balance at the end of the reporting period	95,49,500	95,495	77,24,500	77,245

b. Other Equity

	Share Suspense Account	Reserves and Surplus					Total
		Securities premium	Capital Reserve	General & Consol- idation Reserve	Retained Earnings	Other Compre- hensive Income	
Balance at 31st March, 2019	18250	96,978	6,278	9,058	76,276	110	2,06,951
Profit for the year	0	-	-	-	47,831	(619)	47,212
Addition / reduction during the year	0	-	-	-	(7,382)	-	(7,382)
Balance at 31st March, 2020	18,250	96,978	6,278	9,058	1,16,726	(508)	2,46,781
Profit for the year	0	-	-	-	68,537	-	68,537
Reduction -Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 50)	(18,250)	-	-	-	(7,641)	80	(25,810)
Balance at 31st March, 2021	-	96,978	6,278	9,058	1,77,622	(428)	2,89,508

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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.

During the year, erstwhile Efferchem Private Limited (ECPL) has been merged with the Company with an appointed date of 1st April, 2017 pursuant to the Scheme of Arrangement for merger.

The consolidated financial statements for the year ended 31st March, 2021 were considered by the Board of Directors and approved for issuance on 8th June, 2021.

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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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.

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 AS 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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

2.3 Litigation

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

3 Significant Accounting Policies

3.1 Property, plant and equipment

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

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

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest if any.

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

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

3.2 Depreciation

Depreciation on Property, plant and equipment has been provided on written down value basis and manner prescribed in Schedule II to the Act. Depreciation on additions during the year has been provided on pro-rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on pro-rata 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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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.

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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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 (1st April, 2016). Also, in accordance with Ind AS 27 company has elected the policy to account investments in subsidiaries at cost.

De-recognition

The Company de-recognises 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 de-recognized 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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

3.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

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

3.8 Foreign currencies

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

3.9 Borrowing Cost

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

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

3.10 Leases

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 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. The Company's lease asset classes primarily consist of leases of land and building. At the date of commencement of lease, the Company recognised a right-to-use assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-to-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-to-use of assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right to use of assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with corresponding adjustment to the related right to use of asset if company changes its assessment if whether it will exercise an extension or termination option.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

3.11 Cash and cash equivalent

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

3.12 Employee benefits

Short-term obligations

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

Post-employment obligations

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

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

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

3.13 Income Taxes

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

Current Tax

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

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

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

3.14 Derivative financial instruments

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

3.15 Research and development expenses

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

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

3.16 Earnings per equity share

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

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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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.

Refer note 16 & 20 for assets provided as security.

factory house No. 23 for accounts provided on account.

4A Property, plant and equipment:															(Rs. In `000s)	
		Gross Block						Accumulated depreciation / amortisation					Net block			
		As at 1 st April, 2020	Additions during the year	Deletion during the year	Translation adjust-ments	As at 31 st March, 2021	As at 1 st April, 2020	Additions during the year	Deletion during the year	Translation adjust-ments	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021			
A	Property, plant and equip-ment															
	Factory Land	28,311	-	-	-	28,311	-	-	-	-	-	28,311	-	28,311		
	Factory Building	1,12,135	-	-	-	1,12,135	6,033	10,107	-	-	16,139	1,06,102	-	95,996		
	Plant & Machinery	2,08,071	9,029	2,618	-	2,14,481	32,917	43,690	980	-	75,627	1,75,154	-	1,38,855		
	Furniture & Fixtures	8,672	607	-	-	9,280	3,365	1,453	-	-	4,818	5,307	-	4,462		
	Motor Car/Vehicles	6,703	2,815	-	-	9,518	4,969	811	-	-	5,780	1,734	-	3,738		
	Office Equipment	3,402	246	-	-	3,647	1,737	783	-	-	2,519	1,665	-	1,128		
	Computer	3,345	239	-	-	3,584	2,225	607	-	-	2,832	1,120	-	752		
	Office Building	435	-	-	-	435	79	17	-	-	96	356	-	339		
	Total A	3,71,075	12,935	2,618		3,81,392	51,324	57,467	980	-	1,07,811	3,19,750	-	2,73,581		
B	Right to use assets (refer note 4B)	-	11,693	-	-	11,693	-	378	-	-	378	-	-	11,315		
	Total B	-	11,693	-	-	11,693	-	378	-	-	378	-	-	11,315		
C	Capital work-in-progress	1,489	2,095	-	-	3,584	-	-	-	-	-	1,489	-	3,584		
	Total C	1,489	2,095	-	-	3,584	-	-	-	-	-	1,489	-	3,584		
D	Intangible Assets															
	Software	2,204	-	-	-	2,204	586	419	-	-	1,005	1,618	-	1,199		
	Total D	2,204	-	-	-	2,204	586	419	-	-	1,005	1,618	-	1,199		

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

Property, plant and equipment:

(Rs. In `000s)												
		Gross Block				Accumulated depreciation / amortisation				Net block		
		As at 1 st April, 2019 **	Additions during the year	Deletion during the year	Transla- tion ad- justments	As at 31 st March, 2020	As at 1 st April, 2019 **	Additions during the year	Deletion during the year	Transla- tion ad- justments	As at 31 st March, 2020	As at 1 st April, 2019 **
A	Property, plant and equipment											
	Factory Land	27,039	1,272	-	-	28,311	-	-	-	-	-	27,039
	Factory Building	8,032	1,04,103	-	-	1,12,135	3,509	2,524	-	-	6,033	4,524
	Plant & Machinery	43,896	1,64,175	-	-	2,08,071	18,398	14,519	-	-	32,917	25,498
	Furniture & Fixtures	4,370	4,303	-	-	8,672	2,630	735	-	-	3,365	1,740
	Electrical Installation	-	-	-	-	-	-	-	-	-	-	-
	Lab Equipment	-	-	-	-	-	-	-	-	-	-	-
	Vehicles	6,915	489	701	-	6,703	4,891	723	645	-	4,969	2,023
	Office Equipment	1,812	1,590	-	-	3,402	1,278	458	-	-	1,737	534
	Computer	2,726	619	-	-	3,345	1,287	938	-	-	2,225	1,439
	Office Building	435	-	-	-	435	61	18	-	-	79	375
	Total A	95,226	2,76,550	701	-	3,71,075	32,054	19,916	645	-	51,324	63,171
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	-	-	586	2,107
	Total C	2,134	70	-	-	2,204	27	559	-	-	586	2,107
D	Intangible assets under development											
	Software development	1,826	307	2,134	-	-	-	-	-	-	-	1,826
	Total D	1,826	307	2,134	-	-	-	-	-	-	-	1,826

**Gross block & Accumulated depreciation Includes all asset taken over by holding company of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement refer note 50

Some assets of which the Holding company is beneficial owner are pending for transfer in the name of the company.

Refer note 16 & 20 for assets provided as security.

Factory Building includes Rs 27.83 Lakhs bookvalue of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement, which are in the process of being transferred in the name of the Holding Company.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021
4B Right to use
(i) Amounts to be recognised in balance sheet as on 31st March, 2021

The balance sheet shows the following amounts relating to leases :

Right to use assets	31st March, 2021
Lease hold land	11,693
Total	11,693

Lease liabilities	31st March, 2021
Current	1,295
Non - Current	10,112
Total	11,408

(ii) Amounts to be recognised in Statement of Profit and Loss for the year ended 31st March, 2021

The Statement of Profit and Loss shows the following amounts relating to leases:

Depreciation	31st March, 2021
Lease hold land/building	378
Total	378

Interest expenses on lease liabilities (included in finance cost) Rs. 309 thousand
(iii) Total cash outflow for leases during financial year was :

Particulars	31st March, 2021
Operating cash flows : Interest expenses	309
Total	309

(Rs. In `000s)

5 Non-current Investments:	31st March, 2021	31st March, 2020
(a) Investments in Equity Instruments		
Equity Shares (Quoted & carried at fair value through Profit & loss)	11,110	5,549
(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	11,151	5,591

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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

(Rs. In `000s)

Particulars	As on			
	31 st March, 2021		31 st March, 2020	
	Units	Amount in (Rs.)	Units	Amount in (Rs.)
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	1,000	66	1,000	20
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of Rs.10 Each)	100	10	100	7
Arvind Fashion Ltd (200 (prev Yr 200) Equity shares Fully paid of Rs.4 Each)	200	28	200	29
The Anup engg Ltd (37 (prev Yr 37)Equity shares Fully paid of Rs.10 Each)	37	21	37	12
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	2,500	225	2,500	106
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	8,400	54	8,400	22
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev. Yr. 895) Equity shares Fully paid of Rs.2 Each)	895	73	895	33
HLV Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	1,000	6	1,000	3
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	1,250	110	1,250	53
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of Rs.10 Each)	500	208	500	135
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	346	30	346	22
Navin Flourine International Ltd.(1730 (Prev.Yr. 1730) Equity shares Fully paid of Rs.2 Each)	1,730	4,766	1,730	2,118
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	20,000	3,455	20,000	1,316
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	500	276	500	251
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	3,000	210	3,000	110
Petronet LNG Ltd.(6000 (Prev.Yr. 6000) Equity shares Fully paid of Rs.10 Each)	6,000	1,348	6,000	1,199
Standard Industries Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	9,900	195	9,900	94
Bank of Baroda Ltd.(402 (prev Yr 420)Equity shares fully Paid Rs. 2/- Each)	402	30	402	22
		11,110		5,549

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

	(Rs. In `000s)	
	31 st March, 2021	31 st March, 2020
6 Other Non Current Assets:		
(Unsecured and considered good)		
Capital Advances-Related (Refer note 39)	20,475	20,475
Capital Advances-Others	1,296	736
Deposits with Government Authorities and Others (Refer note 39 ,47 & 49)	13,781	13,786
Loans and advances -Others	-	1,847
Total	35,551	36,843

Deposits with Government Authorities and Others Rs. 2.70 Lakhs of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement, which are in the process of being transferred in the name of the Company.

	(Rs. In `000s)	
	31 st March, 2021	31 st March, 2020
7 Inventories:		
(At cost or net realisable value whichever is lower)		
(a) Raw materials & Others	78,530	48,543
(b) Finished goods	1,02,313	1,17,671
Total	1,80,843	1,66,214
8 Trade receivables (Unsecured):		
Considered Good	16,619	14,490
Overdue Trade Receivables	3,37,128	2,36,536
Trade Receivables		
Total	3,53,747	2,51,026

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:	49,157	40,850
In Current Account	833	1,732
Cash in Hand		
Total	49,989	42,582
10 Other bank balances:		
Earmarked Balance		
Unpaid Dividend Account	686	1,372
In Fixed deposit	11,354	8,566
Total	12,040	9,937

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
11 Other Financial assets:			
Deposit to Related parties (refer Note no 39)		4,668	5,000
Financial Asset liability on account of derivatives		53	446
Total		4,721	5,446
12 Other current assets:			
(Unsecured and considered good)			
Loans and advances to Related parties (refer Note no 39)		19,411	27,091
Loans and advances to Employees		318	53
Prepaid Expenses		4,052	275
Balance with Government Authorities			
GST		58,606	40,973
MVAT Refund		2,051	2,467
Service Tax		290	290
Advances recoverable in cash or kind or for value to be received			
Export Incentive		19,958	13,573
Advance to Suppliers		15,884	19,240
Claim Receivable (Refer note 47)		6,754	9,415
Others/Income tax		4,426	4,539
Total		1,31,748	1,17,917

13 Equity Share capital:

		(Rs. In `000s)			
a)	Equity Share capital	(Except no. of shares)			
		31 st March, 2021		31 st March, 2020	
		No of shares	Amount	No of shares	Amount
Authorised Share Capital:					
Equity shares of Rs.10 each		1,05,00,000	1,05,000	1,00,50,000	1,00,500
Issued, Subscribed and Fully Paid-up Shares:					
Equity shares of Rs.10 each fully paid up		95,49,500	95,495	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, 2021		31 st March, 2020	
		No of shares	Amount	No of shares	Amount
Outstanding at beginning of the year		77,24,500	77,245	77,24,500	77,245
Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 50)		18,25,000	18,250	-	-
Balance as at End of Year		95,49,500	95,495	77,24,500	77,245

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021
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 31st March, 2021, the amount of per share dividend recognised as Rs 0.80 (31st March, 2020 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, 2021		31 st March, 2020	
	No of shares	% of Holding	No of shares	% of Holding
Vipul P. Shah	20,46,100	21.43%	9,26,100	11.99%
Mihir V. Shah	14,52,600	15.21%	11,60,600	15.02%
Vatsal V. Shah	12,43,400	13.02%	9,33,150	12.08%
Mita V. Shah	5,12,500	5.37%	4,39,500	5.69%
Jaya P. Shah	4,86,500	5.09%	4,50,000	5.83%
	57,41,100	60.12%	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, 2021	31 st March, 2020
14 Other Equity:		
Share Suspense Account	-	18,250
Reserves and surplus:		
Capital Reserve	6,278	6,278
Securities Premium	96,978	96,978
General Reserve	9,010	9,010
Consolidation Reserve	48	48
Retained Earnings	1,77,622	1,16,657
Other reserves-Accumulated other comprehensive income	(428)	(508)
Total	2,89,508	2,46,712

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

	(Rs. In `000s)	
	31 st March, 2021	31 st March, 2020
Share Suspense Account		
Balance at beginning of year	18,250	18,250
Add /Less: Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 50)	(18,250)	-
Balance at end of year	-	18,250
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: 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	1,16,657	76,276
Add: Profit after Tax for the year	68,537	47,831
Less: Appropriations:		
Opening Balance impact of IND AS 116	68	-
Dividend - Final	(7,641)	(7,450)
Balance at end of year	1,77,622	1,16,657
Proposed dividend on equity shares not recognised		
Final dividend for the year ended Rs. 0.9 per share (PY Rs. 0.8 per share)	7,640	6,180
14.5 Other reserves-Accumulated other comprehensive income		
Balance at beginning of year	(508)	110
Other comprehensive income	80	(619)
Balance at end of year	(428)	(508)

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
15	Advance Subscription against share warrants:		
	Preferential Share Warrant		
	7,00,000 (Previous year Nil) Preferential Share warrant paid up Rs. 10 each	19,425	-
		19,425	-
<p>The Holding Company had allotted 7,00,000 (Seven Lakhs) Warrants, carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 111/- per Warrant (Rupees One hundred and Eleven Only) including premium of Rs. 101/- (Rupees One Hundred One Only) per share, aggregating to Rs. 7,77,00,000/- (Rupees Seven Crores and Seventy Seven Lakhs only) upon receipt of 25% of the issue price were allotted to the promoter and promoter group on a preferential basis on 23rd February, 2021</p>			
16	Long term borrowings:		
(a)	Secured Loans		
	Term Loan from Bank		
	Loan from Bank Against Vehicles	1,055	-
	Loan from Bank Against Proposed Plant & Machinery /Factory Building Tarapur	90,692	70,692
	(refer note 22 -Current Maturity of long term Loan)		
	Sub Total (a)	91,747	70,692
(b)	Unsecured Loans		
	Loan from Director/relative of Directors**	95	95
	Sub Total (b)	95	95
	Total (A) + (B)	91,841	70,786

** (Loan from Director/relative of Directors are pertaining to erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement refer note no 50)

Term Loans from Banks-Against Vehicles

Rs. 1800 ('000) (Previous Year Rs.Nil ('000)) secured by hypothecation of vehicle from Bank of Baroda repayable in 36 Equal monthly instalments and carry interest rate of 7.45 % p.a.

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

Rs. 68675('000) (Previous Year Rs.89892 ('000)) secured by hypothecation of movable fixed assets and Factory Building at Tarapur wherein in Term loan for Rs 90000('000) principal payable in equal monthly installment of Rs. 1170 ('000) 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 Hypothecation on Stock and Book debts present and future on pari-passu basis with Bank of Baroda . Along with personal guarantee of Mr. Vipul Shah & Mr. Mihir Shah.

Rs. 34000('000) (Previous Year Rs.0 ('000)) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit guarantee by NCGTC principal payable in equal monthly installment of Rs. 944 ('000) over

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

period of 36 months after initial moratorium period of 12 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 8.25%

Rs. 12400('000) (Previous Year Rs.0 ('000)) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit guarantee by NCGTC principal payable in equal monthly installment of Rs. 344('000) over period of 36 months after initial moratorium period of 12 months from date of disbursement from Bank of Baroda and carry interest rate of BRLRR + 1%.

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
17 Lease Liabilities:			
Lease Liabilities (refer note 4B)		10,112	-
Total		10,112	-
18 Non Current Provision:			
Provision for Gratuity		177	441
Total		177	441
19 Deferred Tax Liabilities:			
Major components of deferred tax are:			
Related to Property ,Plant & Equipment		5,232	6,786
Others		(578)	(1,874)
Net Deferred Tax Liability		4,654	4,911
20 Short-term borrowings:			
Loans repayable on demand			
From banks			
Secured		1,52,185	1,24,266
From other parties			
Unsecured		-	1,405
		1,52,185	1,25,671

From Bank of Baroda

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

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

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021
From Axis Bank

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

- i) Factory Land & building & Movable Fixed assets at Plot no T-115, Tarapur Industrial Area,Village Pamtembhi, Taluka Palghar, Thane.
- ii) Also covered in personal guarantee of Vipul Shah & Mihir Shah.

	(Rs. In `000s)	
	31 st March, 2020	31 st March, 2019
21 Trade payables:		
Total Outstanding Dues -Micro and small enterprises	18,621	35,083
Total Outstanding Dues -Other than micro & small enterprises **	3,13,770	3,28,327
Acceptances	-	-
Total	3,32,391	3,63,410

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	18,621	35,083
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.	245	585
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.	245	585

	(Rs. In `000s)	
	31 st March, 2021	31 st March, 2020
22 Other Financial Liabilities:		
Creditors for Fixed Assets & Provision for Expenses	18,333	22,006
Current Maturity of long term	25,368	19,200
Unclaimed Dividend	1,307	1,372
Lease Liabilities (refer note 4B)	1,295	-
Deposit from Dealers	50	50
Total	46,353	42,627

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
23 Other current liabilities:			
Advance from Customers	6,435	15,291	
Duties & taxes	2,038	3,993	
Total	8,473	19,284	
24 Short-term provisions:			
Provision for Tax	20,233	8,688	
Total	20,233	8,688	
25 Revenue from operations:			
Export sales	9,57,405	7,45,893	
Local sales	2,06,740	1,51,445	
Export incentives (Dyestuff , Organic Pigments and Intermediates)	22,853	25,142	
Total	11,86,998	9,22,480	
26 Other income:			
Interest on Deposit with Banks & Others	686	896	
Interest on Security Deposit-IND AS	73	-	
Dividend on Investments	104	196	
Fair Value Gain on Financial Assets	5,561	-	
Exchange Gain/Loss	-	8,825	
Gain/(Loss on sale of asset	-	287	
Misc. Income /Sundry Balance written back	106	-	
Total	6,530	10,204	
27 a) Cost of materials consumed:			
(Chemicals & Others)			
Opening Stock	47,675	27,266	
Add: Purchases	3,36,390	3,14,715	
Less: Closing Stock	76,912	47,675	
Total	3,07,153	2,94,306	
b) Purchases of Stock-in-Trade			
Dyestuff , Organic Pigments and Intermediates	4,32,005	3,91,793	
Total	4,32,005	3,91,793	

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

		(Rs. In `000s)	
		31 st March, 2021	31 st March, 2020
28	Changes in Inventories of Stock-in-Trade:		
	Inventories at the end of the year		
	Dyestuff , Organic Pigments and Intermediates	1,02,313	1,17,671
	Sub-total (A)	1,02,313	1,17,671
	Inventories at the beginning of the year		
	Dyestuff , Organic Pigments and Intermediates	1,17,671	61,811
	Sub-Total (B)	1,17,671	61,811
	(A) -(B)	15,358	(55,860)
29	Employee benefits expense:		
	Salaries, Wages, Bonus and Gratuity	52,926	47,943
	Contribution to Provident Fund and Other Funds	3,289	1,996
	Total	56,214	49,939
30	Finance costs:		
	Bank Interest	12,007	7,715
	Bank Charges-Processing Fees	1,435	1,275
	Other Interest	122	243
	Total	13,564	9,233
31	Depreciation & Amortisation:		
	Depreciation Expenses(Refer note no 4)	57,886	20,474
	Amortisation of Lease Refer note no 4B	378	-
	Total	58,264	20,474
32	Other Expenses:		
	Power and Fuel	55,073	21,688
	Factory Rent	500	1,325
	Factory Expenses	5,823	5,282
	Labour & Transport	41,938	29,108
	Repairs & Maintenance	11,421	8,291
	Packing Material	14,466	9,853
	Export Clearing ,Freight & Forwarding	36,241	16,341
	Professional & Legal Charges(Refer note no 34)	10,879	12,123
	Travelling Expenses	2,332	10,059

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

	(Rs. In `000s)	
	31 st March, 2021	31 st March, 2020
Insurance Charges	4,739	6,014
Rent ,Rates & Electricity	5,374	4,862
Donation /Corporate Social Responsibility Expense (Refer note no 48)	1,606	2,066
Exchange Gain /Loss	4,253	-
Commission	8,644	6,075
Fair Value Loss/(Gain) on Financial Assets	-	2,008
Loss on sales of assets	163	-
Miscellaneous/ Office Expenses	11,083	16,191
Business Promotion (Net of Subsidy for Foreign Product registration)	859	598
Total	2,15,394	1,51,883

33 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	95,576	70,917
Weighted average enacted tax rates in India	27.82%	27.82%
Computed tax expense	26,589	19,729

Tax effect of:

Deduction under Chapter VI A	179	287
Exemption / profit link incentives	(167)	(269)
Other exempt income	(29)	(55)
Previous year tax / Others-Interest	2,017	2,907
Fair Value Gain on Financial Assets	(1,547)	559

Actual Tax Expense	27,042	23,158
Current Tax	27,365	17,537
Deferred tax	(314)	5,549
Tax expense reported in the statement of profit and loss	27,051	23,086

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, 2021.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021
34 EARNINGS PER SHARE:

		31 st March, 2021	31 st March, 2020
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.	68,605	47,212
Weighted Average number of shares outstanding during the year - (B)	Nos.	95,49,500	95,49,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs.	7.19	4.94

Earnings per share for the previous year have been computed after considering the shares issued to the shareholders of Efferchem Private Limited

			(Rs. In `000s)
		31 st March, 2021	31 st March, 2020
35 Contingent liabilities and Commitments:			
(i) Contingent Liabilities			
(a) Income tax matters not acknowledged as debt		22085	22085
(b) Dues Raised by M.S.E.B which is protested by Group		250	250
(c) Sales Tax demands disputed by the Group relating to forms etc.		105	105
(Future Cashflows in respect of above are determinable only on receipt of Judgements/decision pending with various forums /authorities. The company is hopeful of succeeding & as such does not expect any significant liability to crystalize.)			
	Total	22440	22440
(ii) Commitment			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.		1000	1500
36 Payments to Auditors for the year:			
Auditors' Remuneration & Expenses			
(a) As Auditors		470	470
(b) Certification and Other matters		140	173
	Total	610	643

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

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

38 Derivative Instruments and Unhedged Foreign Currency exposure:

Derivative Outstanding as at the Reporting date

	As on 31 st March, 2021		As on 31 st March, 2020	
	Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
	USD '000		USD '000	
Forward contract to sell USD	600	43,440	600	45,234

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, 2021		As on 31 st March, 2020	
		Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
Trade receivable	USD '000	3,186	2,30,653	2,233	1,68,338
	EURO '000	118	10,083	21,104	1,754
Trade payables & borrowings		956	69,192	849	63,979

39 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. Vipul P. Shah
Mr. Mihir V. Shah
Dr. Shiv Nath Sahai
Mr. Jagdeep Y. Mehta
Mrs. Megha S. Bhatti
Mr. Prasannakumar B. Gawde
Dr. Ramesh L. Rathod

b) Relatives of KMP

Ms. Jaya P. Shah
Mr. Vipul P. Shah HUF
Mrs. Mita V. Shah
Mrs. Niloni M. Shah
Mr. Vatsal V. Shah
Mrs. Kavita J. Varaiya

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021
c) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)

Jayshree Chemicals
 Amar Trading Corporation
 Standardcon Pvt.Ltd.
 Jayapriya Chemical Industries Limited
 VIP Chem LLP.

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2021

(Rs. In `000s)

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2020-2021	-	480	20,781
	2019-2020	-	300	37,157
Sale/Services/Interest	2020-2021	-	-	5,790
	2019-2020	-	-	8,987
Share/Warrant Subscription received	2020-2021	12,488	6,938	-
	2019-2020	-	-	-
Mangerial Remuneration /Salary/Sitting Fees	2020-2021	12,114	966	-
	2019-2020	7,999	3,680	-
Balance Receivable/(Payable)	31-03-2021	(467)	21,123	43,745
	31-03-2020	(85)	21,106	38,649

40 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.

(Rs. In `000s)

A As on 31 st March, 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	2,51,026	2,51,026	-	-	-
Cash and cash equivalents	42,582	42,582	-	-	-
Other bank balances	9,937	9,937	-	-	-
Other Financial Assets	5,446	5,446	-	-	-
Total	3,14,581	3,09,032	5,549	-	-

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

A	As on 31 st March, 2020	Total	Carrying value at Amortised cost	Carrying value at Fair value through Profit & loss		
				Level 1	Level 2	Level 3
	Financial liabilities					
	Other non-current financial liability	70,786	70,786	-	-	-
	Trade and other payables	3,63,410	3,63,410	-	-	-
	Other current financial liabilities	1,68,298	1,68,298	-	-	-
	Total	6,02,494	6,02,494	-	-	-

(Rs. In `000s)

B	As on 31 st March, 2021	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	11,151	41	11,110	-	-
	Trade Receivables	3,53,747	3,53,747	-	-	-
	Cash and cash equivalents	49,989	49,989	-	-	-
	Other bank balances	12,040	12,040	-	-	-
	Other Financial Assets	4,721	4,721	-	-	-
	Total	4,31,649	4,20,539	11,110	-	-
	Financial liabilities					
	Other non-current financial liability	91,841	91,841	-	-	-
	Trade and other payables	3,32,391	3,32,391	-	-	-
	Other current financial liabilities	1,98,538	1,98,538	-	-	-
	Total	6,22,771	6,22,771	-	-	-

During the reporting period ending 31st March, 2021 and 31st March, 2020, there was no transfer between level 2 and level 3 fair value measurements.

Valuation techniques used to determine fair value

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

41 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

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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 counter party 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, 2021	31 st March, 2020
Considered Good		
0-12 Months	3,37,128	2,36,536
More Than 1 year	16,619	14,490
Carrying Amount of receivable	3,53,747	2,51,026

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

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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, 2020		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	70,786	70,786
Trade and other payables	3,28,327	-	3,28,327
Other current financial liabilities	1,68,298	-	1,68,298
Total Financial Liabilities	4,96,625	70,786	5,67,412

Financial Liabilities	As at 31 st March, 2021		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	91,841	91,841
Trade and other payables	3,32,391	-	3,32,391
Other current financial liabilities	1,98,538	-	1,98,538
Total Financial Liabilities	5,30,930	91,841	6,22,771

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 treasuy department recommends risk management objectives and policies, which are approved by Management and the Audit Committee. The activities of this deparment include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.

a) Foreign currency risk

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

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

Foreign currency exposure	Currency	31st March, 2021	31st March, 2020
Trade receivables & Advance	USD in '000	3,786	2,833
Net exposure to foreign currency risk (assets)		3,786	2,833
Trade payables	USD in '000	454	411
Current Borrowings	USD in '000	141	141
Other financial liabilities	USD in '000	-	-
Net exposure to foreign currency risk (liabilities)	USD in '000	595	552
Rupee Conversion Rate		72.40	75.39

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 31st March, 2021 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	31st March, 2021		31st March, 2020	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	11,552	(11,552)	8,599	(8,599)
Increase / (decrease) in profit and loss	11,552	(11,552)	8,599	(8,599)

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:

	31st March, 2021	31st March, 2020
Current Borrowings		
Variable rate borrowings	1,77,553	1,43,466
	1,77,553	1,43,466

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.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

	31 st March, 2021		31 st March, 2020	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(888)	888	(717)	717
Increase / (decrease) in profit and loss	(888)	888	(717)	717

42 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, 2021	31 st March, 2020
Borrowings (long-term and short-term borrowings including current maturities)	2,69,394	2,14,252
Cash & Cash Equivalent including Other current financial asset	66,751	57,965
Adjusted net debt	2,02,643	1,56,287
Total Equity	4,04,428	3,23,957
Adjusted net debt to equity ratio	0.50	0.48

43 A) Business Combinations:

i) Subsidiaries

The Group's subsidiaries as at 31st March, 2020 and 31st March, 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 - Shree Ambika Naturals Private Ltd	Principal activities	% of ownership Interest as on	
		31 st March, 2021	31 st March, 2020
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

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	31 st March, 2021	31 st March, 2020
Shree Ambika Naturals Private Ltd		
Current assets	9,254	10,524
Current liabilities	2,871	5,752
Net current assets	6,382	4,772

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

Summarised Balance sheet	31st March, 2021	31st March, 2020
Non Current assets	295	1,935
Non Current liabilities	(1,128)	(1,128)
Net non-current assets	1,423	3,063
Net assets	4,959	1,709
Accumulated NCI	(1,377)	(1,364)

Summarised Statement of Profit & Loss	31st March, 2021	31st March, 2020
Shree Ambika Naturals Private Ltd		
Revenue	16,616	14,125
Profit for the year	(29)	139
Other comprehensive income	-	-
Total Comprehensive income	(29)	139
Profit allocated to NCI	(13)	61

Summarised cash flows	31st March, 2021	31st March, 2020
Shree Ambika Naturals Private Ltd		
Cash flows from operating activities	(727)	271
Cash flows from investing activities	1,298	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	571	271

iii) Transactions with non- controlling interests

There are no transaction with non controlling interest in FY 2020-21 and FY 2019-20

43 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	2020-21	98.07%	3,96,622	100.04%	68,634
	2019-20	96.26%	3,16,123	101.06%	47,073
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	2020-21	1.93%	7,805	-0.04%	(29)
	2019-20	3.74%	7,834	-1.06%	139
Total	2020-21	100.00%	4,04,428	100.00%	68,605
	2019-20	100.00%	3,23,957	100.00%	47,212

- 44** The Board of Directors of the Holding Company has recommended a final dividend of Rs. 0.90 per equity share for the year ended 31st March, 2021 (Previous Year Rs. 0.80 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

- 45** 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.
- 46** 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.

47 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 process and management of jolding company does not see any loss on account of under insurance or otherwise.

48 Corporate Social Responsibility Expense-Holding Company	31st March, 2021	31st March, 2020
<i>Amount required to be spent during the year</i>		
Corporate Social Responsibility Expense	1,024	730
<i>Amount spent during the year (paid in cash)</i>		
i) Acquisition /construction of any asset		-
ii) Purpose other than above (i)	1,606	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)		-
	1,606	750

- 49** Due to the outbreak of Pandemic "Novel Coronavirus" (COVID - 19), the Company continues to take various precautionary measures to protect employees from COVID - 2019 and has encouraged work from home for its employees at its offices and maximizing digital modes of communication. Considering the continue uncertainty, the management continues to monitor material changes. Further, the management expects to recover the carrying amount of trade receivables, investments and realization of inventories and does not anticipate any major financial or operational issue as on the date of approval of this results.
- 50** Business Combination :The scheme of Arrangement for the merger of Efferchem Private Limited (ECPL) with the Vipul Organics Limited (the scheme) has been approved by the National Company Law Tribunal ("NCLT") at Mumbai vide their order dated May 15, 2020. Upon the filing of the order with the Registrar of Companies, Mumbai the scheme became effective from June 26, 2020 having the appointed date 1st April, 2017. The scheme has been accounted under the pooling of interest method with effect from appointed date as per the above mentioned NCLT order and accordingly the comparatives for the earlier periods / year have been restated. 18,25,000 new equity shares of Rs. 10/ each fully paid up of the Company were allotted on 30th June 2020 to the shareholders of Efferchem Private Limited pursuant to the Scheme of Amalgamation of. Consequent to the allotment, the paid-up Capital of Vipul Organics Limited has increased to Rs. 9,54,95,000/- divided into 95,49,500 equity shares of Rs. 10/ - each fully paid up. Earnings per share for the quarter and for all earlier periods / year have been computed after considering the shares to be issued to the shareholders of (ECPL) and disclosed as share suspense in the results for previous year.ECPL is in the same business of manufacturing of Pigments, Napthols and Fast Salts.

Notes to the Consolidated financial statements for the financial year ended 31st March, 2021

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

In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Place : Mumbai
Dated : 8th June, 2021

Vipul P. Shah
Managing Director
DIN:00181636

Mihir V. Shah
Whole Time Director & CFO
DIN:05126125

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

Shiv Nath Sahai
Director
DIN:00332652

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

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