



GETTING IT
RIGHT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vipul P. Shah	(Managing Director)
Mr. Mihir V. Shah	(Whole-Time Director & Chief Financial Officer)
Dr. Shiv Nath Sahai	(Non-Executive Director)
Mr. Jagdeep Y. Mehta	(Independent Director)
Mr. Prasannakumar B. Gawde	(Independent Director)
Mrs. Megha S. Bhati	(Independent Director)

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

CORPORATE OFFICE:

B 603-A, Kaledonia, Sahar Road,
Off. W. E. Highway,
Andheri (East), Mumbai – 400069

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093, Maharashtra
Tel. No.: 022-62638200; Fax No.: 022-62638299
Email ID: investor@bigshareonline.com
Website: www.bigshareonline.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Krina Sanghvi (w.e.f. 17th December, 2021 upto 30th July, 2022)
Ms. Kinjal Shah (upto 4th December, 2021)

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s. M Baldeva Associates
Company Secretaries, Thane

BANKERS

Bank of Baroda
Axis Bank

PLANT LOCATION

Plot No. 11/12, Survey No. 35,
Diwan& Sons Industrial Estate,
Village Aliyali, Palghar (West),
Dist. Thane – 401404, Maharashtra

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

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

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IT'S **NOT ABOUT** BEING RIGHT. IT'S **ABOUT** GETTING IT RIGHT.
ELIZABETH SPELKE

We got it right because we recognized the needs of a situation. We remained curious about evolving trends, studying today with a view of envisioning tomorrow. We asked questions to ourselves and others. We listened patiently and learnt well to narrow down on avenues that are niche today and will relevant tomorrow. We invested time and effort and many times both.

WE
TRIED

WE
FAILED

WE
TRIED AGAIN

UNTIL WE GOT IT
RIGHT!



THE RIGHT INGREDIENTS

VIPUL is making it big in the pigment's space. This is an interesting space as demand has is slated to increase while supply from organised players appears to be constrained. This positions Vipul In the Right Place, At the Right Time and Doing the Right Things.

Digital Printing space is growing rapidly

The global digital printing market size was valued at US\$25.74 billion in 2019 and is projected to reach US\$35.71 billion by 2028 at a CAGR of 3.7% from 2021 to 2028.

Supply appears to be constrained

There were only five players in the pigment space - three global and two Indian. Of the five, two have shut-down their pigments space owing to the 'Does Not Fit in the Business Model' criteria. This has only increased the demand intensity for existing players.

We have aggressive plans for the addressable opportunity

About 2-3 years ago, the Company has a capacity to manufacture 20 tonnes per month of pigments. This has gradually gone up to 170 tonnes a month - facilitated in part by the pigment capacity which was commissioned at our Tarapur facility in 2019-20.

Now we have firm plans to increase our pigment capacity. For this, we have taken additional land in Bharuch to set up a large state-of-art-facility that will be commissioned in a phased manner.

This new facility will allow us to enter into niche markets such as food colour pigment which is a very high margin space with significantly lesser competitive intensity owing to quality, safety and consistency considerations. This business vertical will emerge as our key revenue and profitability driver over the coming years.

50+

Vipul currently exports pigments to more than 50 nations across the world

THE RIGHT TECHNOLOGY

In India's paint industry, the day's powder pigment could be numbered. This is owing to the emergence of the emulsion paste technology, a key input for the paint industry.

Interestingly, India's paint industry, after two years of the pandemic is firm-footed on the growth track. As rule of thumb, the growth of the paint industry is about 1.5 times India's GDP growth. If India's GDP grows by 7% plus (which is estimated for FY23), India's paint industry should grow between 10-13% in FY23.

Why emulsion paste technology?

- Raw material cost is reduced by about 10%
- Labour cost is reduced owing to elimination of mixing
- Wastage reduced
- Storage required is also less
- Pollution is minimised
- Direct use is better than the powder pigment

We, at Vipul Organics, are perfectly placed to capitalise on this growth opportunity. For important realities;

- We intent to create position of market leader with more than 70% share of the domestic market

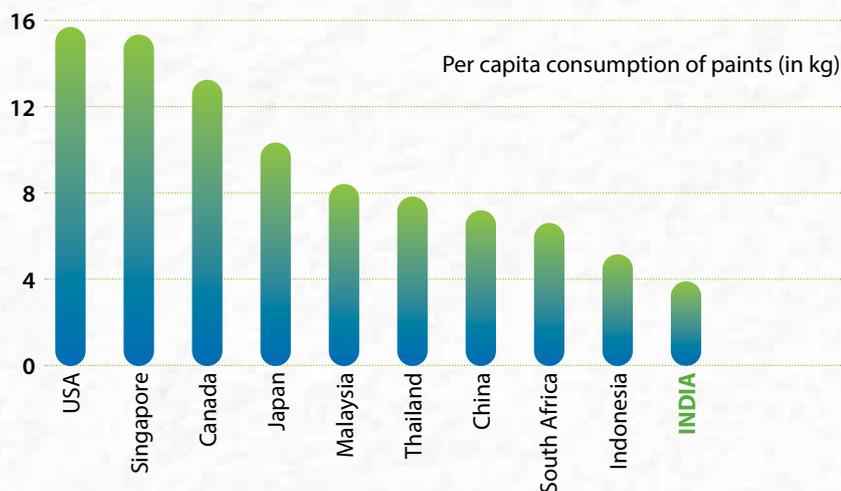
- We enjoy strong business relations with India's leading paint company
- We have a four-decade long presence in Europe during which we have earned the 'preferred player' position in that geography

We have set up a new plant at Palghar for 80-100 TPA dedicated to manufacture emulsion paste. This investment should generate heartening returns over the coming years as emulsion paste is a high-margin business vertical compared to powder. We have a healthy order book as on March 31, 2022.

The paint sector has sufficient headroom to sustain growth over the long-term:

ROOM FOR ALL

The relatively lower per capita consumption of paints in India, as against its peers, points to a large untapped market.



Data as of 2019
SOURCE: INDIGO PAINT'S DRAFT RED HERRING PROSPECTUS, BLOOMBERG



ONE OF INDIA'S LARGEST MANUFACTURERS OF **PIGMENTS & PIGMENT DISPERSIONS**

H **EADQUARTERED** in Mumbai, the financial and commercial capital of India, Vipul Organics Limited (Vipul) is One of India's largest manufacturers of pigments and pigment dispersions.

The Company's wide array of products comprising pigment powder, pigment dispersion, leather dyes, naphthol's, fast colour bases, and fast colour salts and dyes intermediates are manufactured at its three factories.

The Company currently serves marquee clients across broad spectrum of industries ranging from Textile, Paint, Printing Ink, Cosmetics & Food Industry, Plastic and several other industries and has presence in both local and international market.

Spearheaded by Vipul Shah at the helm, the Company's day-to-day business operations are managed by a team of energetic and experienced professionals.



62.36%

Promoters' holding

96

Team size
(March 31, 2022)

13515.98

Revenue in FY22
(₹ Lakh)

5254.57

Networth in FY22
(₹ Lakh)

18840.00

Market
Capitalisation in
FY22
(₹ Lakh)

OUR MANUFACTURING FACILITIES

FROM a small enterprise, the Company has grown into a large and respected organisation in the dyes and pigments space. In its 50 year journey, the Company has established six operating facilities in the state of Maharashtra.

PALGHAR

Located just 80 km from Mumbai, they have 3 factories at Palghar with provisions to produce products such as OrthoDianisidine(Di Hcl), OT Base, 5COT (Red TR) , Fast Bases, Vat Dyes and Pigment Intermediates.

TARAPUR

Situated within a short distance from Palghar and about 100kms north of Mumbai, the unit here exclusively works on manufacturing pigment powder and pigment dispersions.

AMBERNATH

It is equipped with innovative tools and highly skilled manpower to manufacture the best naphthols, pigment powders, pigment dispersions, reactive dyes, acid dyes and direct dyes. Ambernath is just 60 km south of Mumbai and is well connected to Mumbai by rail and road routes.

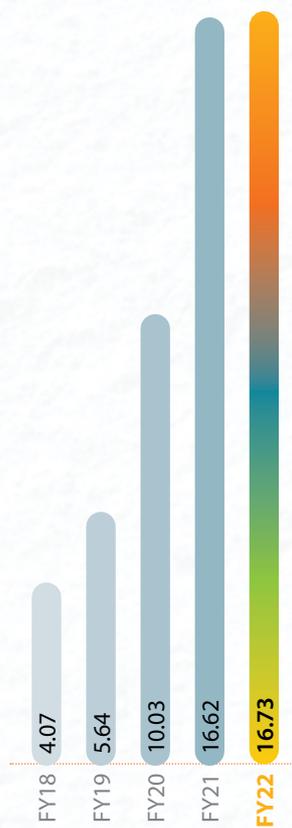


KEY PERFORMANCE INDICATORS

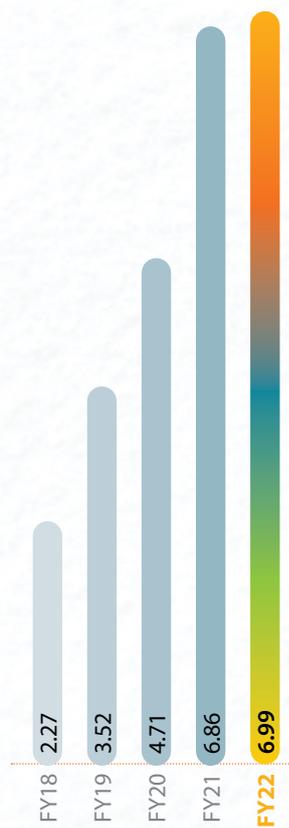
Revenue
(₹ crore)



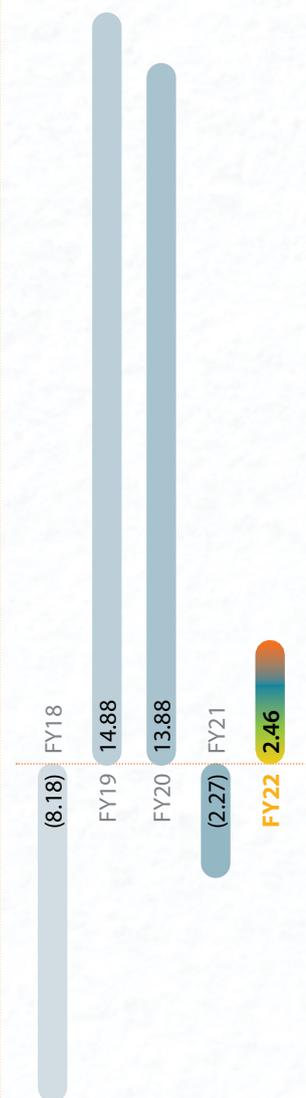
EBITDA
(₹ crore)



Profit After Tax
(₹ crore)



Net Cash from Operations
(₹ crore)



PROFITABILITY

EBITDA margin (%)



Net margin (%)



Return on Capital Employed (%)



Return on Equity (%)



I AM **CONFIDENT** THAT OUR LEADERSHIP TEAM AND THE ENTIRE VIPUL FAMILY, WITH THEIR UNWAVERING DEDICATION, WILL BETTER THE COMPANY'S PERFORMANCE IN THE CURRENT YEAR.

WE STAND FIRM IN OUR COMMITMENT TO BUILD A SUSTAINABLE BUSINESS AND DELIVER VALUE TO ALL OUR STAKEHOLDERS



VIPUL P. SHAH
MANAGING DIRECTOR

DEAR SHAREHOLDERS,

trust you and your loved ones are in good health.

FY22 was about change, resilience; resetting priorities and the drive towards the achievement of our dreams. Navigating a difficult environment and unforeseeable circumstances during the more intense second wave of the pandemic proved our resilience.

Notwithstanding the challenges in the domestic and international markets owing to multiple waves of the pandemic, travel restrictions and logistical impediments, the Company posted a good set of numbers. The topline grew by 13%; EBITDA improved by 1% and Net Profit increased by 2%. But profitability margins remained impacted by the inflationary headwinds that prevailed during the year under review – it intensified owing to the geopolitical tensions that erupted toward the close of FY22.

During FY22, we developed high-performance pigments such as Pig. Red 5, Pig. Red 188, Pig. Red 170 etc which have very limited competition and highly specialized usage. We are hopeful of generating healthy returns from these new developments in the current year.



We entered FY23 on a positive note. I am particularly optimistic about the prospects for our business emerging out of a resurgent India.

With India firmly placed on the path to progress, opportunities are expected to abound over the coming years. The Government's thrust towards infrastructure-led growth is expected to open up interesting growth avenues for multiple sectors, including our business space. Moreover, with the prospects of the real estate sector improved in the recent past, the opportunity window from this sector has also widened.

To effectively capitalise on a favourable domestic ecosystem, we initiated the effort of strengthening our distribution network pan India. We have successfully implemented the plan in a few areas. We have set a target to achieve our desired goal in the current year. The strong presence should help shore revenue from the domestic market.

During FY22, we acquired a new industrial land of 24,500 sq mt at GIDC, Sayakha district, Bharuch in Gujarat. At this site, we plan to set up a larger unit than originally envisaged at the existing Dahej site. As per the blueprint, we have planned to create strong forward and backward integration which will make our operations self-sustaining and cost-effective. We will set up the new facility in a phased manner over the next 12-30 months. Our expansive dealer network would help in reaching out the output from this unit to the domestic market users.

Having established strong business relations with leading Indian and multinational companies in diverse sectors such as ink, paint and master batch namely PPG Asian Paints, Indigo Paints, Plastiblends, Uflex Ink, Flint Ink, etc., we are now working on widening our sectoral presence. We plan to use offer our pigments to the paper and seed coating industries.

It gives me immense satisfaction to state that we are currently developing more eco-friendly solutions for some existing clients

in the paint and plastic industries. I am excited about this initiative. For when we deliver these niche products, we will help them align better with their environmental management goals. Also, we will be reducing our carbon footprint.

I am confident that our leadership team and the entire Vipul family, with their unwavering dedication, will better the Company's performance in the current year. We stand firm in our commitment to building a sustainable business and delivering value to all our stakeholders.

On behalf of team Vipul, I thank our valued shareholders, dealers, distributors, supply chain partners, associates, our entire workforce, our customers in India and across the world, for their unstinted support and faith in our Company, our people, as well as our products.

WARM REGARDS.





MANAGEMENT DISCUSSION & ANALYSIS



GLOBAL ECONOMY

In 2021, the global economy resurged with strength. The global GDP increased by 6.1% against a contraction of 3.1% in 2020. This stellar performance was primarily due to the fiscal support given by nations across the globe (particularly the advanced economies), the widespread vaccination in advanced and developing and emerging markets, the lifting of lockdown restrictions in many countries and the renewal

of commercial activities across the globe. Global trade climbed to US\$28.5 trillion in 2021 surpassing the pre-pandemic level of 2019 by 13%. Global trade in services rose by US\$50 billion to touch US\$1.6 trillion.

Global economic progress was expected to sustain its momentum in the current year only to be thwarted by the global geopolitical crisis. This challenge has further intensified prevailing supply-chain issues, in addition to leading to a

significant rise in food, fuel and commodity prices. The effect of inflation is expected to be more on emerging and developing nations than on advanced economies. The International Monetary Fund in its document dated April 2022, has reduced its global GDP growth estimates for 2022 and 2023 to 3.6% respectively.





INDIAN ECONOMY

Aligned with the global trend, the Indian economy reported a healthy reversal in the economic trend as India's GDP grew by 8.7% in FY22 against a contraction of 6.6% in FY21.

While the agriculture segment improved its performance (from a 3.6% growth in FY21 to a 3.9% growth in FY22), the important thrust to the economy came from the industrial sector (growth of 11.8% in FY22) and the services sector (growth of 8.2% in FY22).

Large-scale vaccination drives, government support through fiscal

and policy announcements and significant uptick in investment by the private sector assisted in a resurgence in industrial and services activity across the nation. Exports reached a new pinnacle as the world looked upon India as a key supply partner in the wake of global supply chain disruption.

India's fiscal deficit position improved to 6.71% of the GDP over the revised budget estimate of 6.9% mainly on account of higher tax realisation. India's revenue collections were around ₹27 trillion - a growth of around 35% over the last year's revenue collection, led by a growth of around 50%

indirect taxes. The Finance Ministry reported the highest tax to GDP ratio in FY22 of 11.7%, with the indirect tax to GDP ratio at 5.6%.

India's economic resurgence would have been more pronounced had it not been for the geopolitical crisis that erupted towards the close of the fiscal. The resultant inflationary pressure from this crisis weighed on India's performance in the last quarter of FY22. It will continue to do so in FY23.

As a result, the Reserve Bank of India (RBI) has lowered its estimate for India's GDP growth in FY23 from the earlier 7.8% to 7.2%. Despite this drop, India is expected to retain its position as the fastest growing major economy in the world.

OUR BUSINESS SPACE

About dyes and pigments

A colourant is something that is added or applied to change colour of a material or surface. Colourants are used in prints, ceramics, photography, plastic, paints, and textile and in many more sectors. Colourants are primarily of two types - pigments and dyes.

Pigments are generally insoluble compounds used in paints, printing inks, ceramics and plastics. Pigments can be classified in two types - organic and inorganic.

Organic pigments include Azo pigments group which are mostly red, yellow and orange pigments. Copper phthalocyanines provide blue and green colours.

Inorganic pigments are exclusively based on sulfide, silicate, oxide hydroxide, sulfate or carbonate and can be classified into white pigments, black pigments, coloured pigments and specialty pigments.

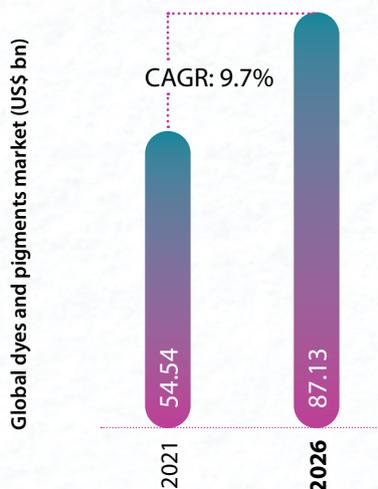
Dyes are soluble substances used to colour textiles, paper and leather. There are several known dye types available in the market namely, natural dye, synthetic dye, direct dye, disperse dye, reactive dye, solvent dye, etc.

PIGMENTS	DYES
Pigment molecules are much larger, hence they do not dissolve in water	Dye molecules are very small; hence easily dissolve in water and many solvents
A pigment cannot be directly applied to a material	Dyes can be used with a dye solution (dyes dissolved in water) as well as directly
Resistant against fading	Vulnerable to fading
Longevity is longer	Longevity is shorter



Global dyes and pigments market

The global synthetic dye and pigment market is anticipated to grow by 10% from US\$54.54 billion in 2021 to US\$60.22 billion in 2022 owing to the pent-up demand. Over a longer term perspective, the market is expected to grow at a CAGR of 9.7% up until 2026 which would take the market to US\$87.13 billion.

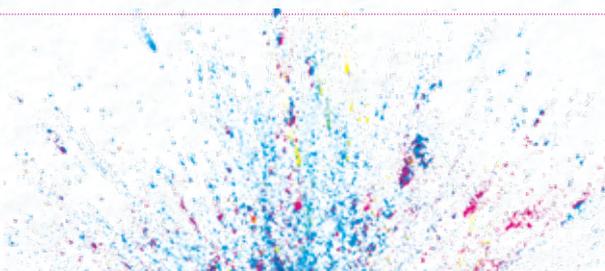


Growing packaging industry is likely to drive the growth of the market. This is primarily due to increasing demand in food & beverages, cosmetic products, healthcare and other industries in emerging economies. The global packaging market is projected to reach US\$ 72.6 billion by 2025, at a CAGR of 4.3% from 2020. The market is projected to grow in accordance with the increase in the demand for industrial packaging for

food & beverage products across the globe especially in emerging economies. Furthermore, the industrial packaging market has witnessed a significant increase in its demand for the supply of goods to grocery stores, retailers, pharmacies, and hospitals, during the ongoing Covid-19 pandemic. Among other reasons rise in the demand for digital printing is also driving the market growth.

Asia-pacific remains the largest market for synthetic dye and pigments in 2021, whereas Western Europe is holding a close second position. In recent times, there is a growing preference for eco-friendly dyes over synthetic dyes owing to an increasing awareness towards the environment.

 The global textile dyes market is forecast to reach US\$ 10.13 Billion by 2026, according to a new report by Research Genics.



Indian dyes and pigments market

Aligned with the Indian growth story, the Indian dye and pigment market is also growing. The Indian dye and pigment industry which accounts for almost 25% of the global market is expected to grow at about 11% CAGR in a period starting from 2021 to 2027.

The increasing demand for organic pigments, as they are the most common type of pigment produced in India (accounting for approximately 58% of total pigment production) is the major driver for the growing demand for dyes and pigments in India.

The country's cosmetics industry is majorly assisting in the growth of the pigments market in the region as the cosmetics industry is a significant application sector for pigments. The demand for cosmetic products such as hair care, skin care, and perfumes are

increasing rapidly due to rising living standards and changing lifestyles, therefore boosting the Indian cosmetics sector therefore accelerating the growth of the Indian dyes and pigments market.

The other major factor that is driving the industry is increasing demand for paints and coatings. The rising construction and infrastructure activities are acting as a growth driver for architectural and decorative paint which in turn are increasing consumption for pigments.

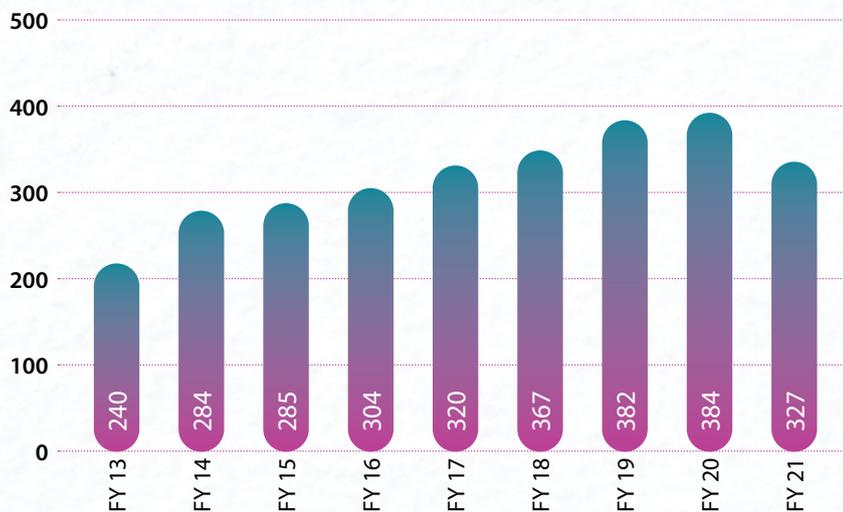
The Indian industry is also gaining from the environmental crackdowns in China that have resulted in the closure of several domestic dye companies. This has not only increased opened the Indian market (earlier serviced by Chinese imports) for the domestic players, it has also opened the international markets for the

therefore the dyes industry in India is expected to grow steadily in the coming years.

India exports dyes and pigments to most countries in Asia-pacific because these countries lack competitive scale of productions. India also exports to many developed countries in Europe and USA, where the industry takes advantages of low cost of production, large pool of talented quality professionals, compliance with global benchmarks and country's competitive manufacturing policies.

Indian dye and pigment industry is part of the much bigger chemical industry which Government of India considers as a key growth driver. As such, in FY22 Indian government allocated ₹233.14 crore to the Department of Chemicals and Petrochemicals.

Production volume of dyes and pigments in India from financial year 2013 to 2021 (in 1,000 metric tons)





ABOUT THE COMPANY

Vipul Organics is a prominent global player in dye and pigment industry and makes products for several industrial segments like paints, plastics, paper, leather, textiles, etc. It is one of the leading manufacturers and exporters of dye and pigment in the nation.

The Company has three state-of-the-art manufacturing facilities proximate to Mumbai, the commercial and financial capital of India. The Company has a world-class R&D facility which is specially equipped to test dye and pigment products. Vipul operates through a strong distribution network in India and around the globe with a presence in more than 50 countries.



OPERATIONAL PERFORMANCE

The Company focused on aggressive growth pillared on an increase in domestic volumes as well as on export, research & development, marketing alliances, upgradation of manufacturing facility. During the financial year under review the Company 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.

The appointment of new distributors for Non-Textile as well

as for Textile plays significant role, also well connected marketing team in place to develop domestic market segment.

This year Vipul Organics Limited has certified the entire SunPrint® range under Oeko Passport and has obtained the certification for the same. In the Pigment Dispersion category, Vipul is the ONLY Company in India that has obtained this certification as per the **Oeko-Tex portal**.

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



FINANCIAL PERFORMANCE

The performance of the company showed a substantial improvement during the financial year under the review. The Company has earned

total revenue of ₹135.16 crore (Previous year ₹119.75 crore) and Net Profit after tax of ₹6.99 crore (Previous year ₹6.86 crore).

Significant changes i.e., change of 25% or more in the key financial ratios

In accordance with the amendments notified by SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on 9th May 2018, the details of significant changes i.e. change of 25% or more in the key financial ratios as compared to the immediately previous financial year along with detailed explanations, wherever required, are reported on the next page:

Key financial ratios

Ratios	Standalone			Consolidated		
	2021-22	2020-21	% Change	2020-21	2021-22	% Change
Debtors Turnover Ratio (x)	3.45	3.98	-13%	3.42	3.93	-13%
Inventory Turnover Ratio (x)	4.09	4.41	-7%	4.04	4.31	-6%
Interest Coverage Ratio (x)	3.77	3.60	5%	3.76	3.60	4%
Current Ratio (x)	1.27	1.30	-2%	1.29	1.31	-2%
Debt Equity Ratio (x)	0.56	0.70	-20%	0.56	0.70	-20%
Operating Margin Ratio (x)	8.43%	9.07%	-7%	8.43%	9.07%	-7%
Net Profit Margin	5.24%	5.74%	-9%	5.23%	5.77%	-9%
Return on Net Worth	13.86%	16.48%	-16%	13.90%	16.56%	-16%



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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 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 Financial Officer for financial reporting.



HUMAN RESOURCE MANAGEMENT

Vipul Organics enjoys the support of a committed and well satisfied human capital.

The Company's journey towards scaling new heights is powered by people at its core. Its people are its core strategic pillars that fuel its inspiration to go beyond the boundaries within the mind, to open doors and drive performance. The Company's people-centric policies have cemented a strong bond between the Company and its team.

The Company continued to invest in its people by providing those avenues to expand their knowledge capital, sharpening their expertise and nurturing leadership, which makes the Company a learning and delivering institution.

Compensation packages offered by the Company, best-of-class methods in recruitment, training, motivation, and performance appraisal, attract and retain the best talents. These practices enable the Company to keep the attrition rate well below the industry average. The Company had 96 permanent employees as on 31st March 2022.



RISK MANAGEMENT

At Vipul Organics, the risk strategy is determined by a risk appetite defined for a series of risk criteria. Risk criteria are based on sectoral circumstances, ground realities, liquidity available and the earnings target within accepted volatility limits. These criteria provide a reference for its business operations.

The Company's risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes beyond traditional boundaries and seeks to involve all key business managers.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan.

To ensure transparency and critical assessment, Vipul has a Risk Management system. The risk management framework is reviewed by the Audit Committee of the Company from time to time.



RISKS CONCERNS & THREATS

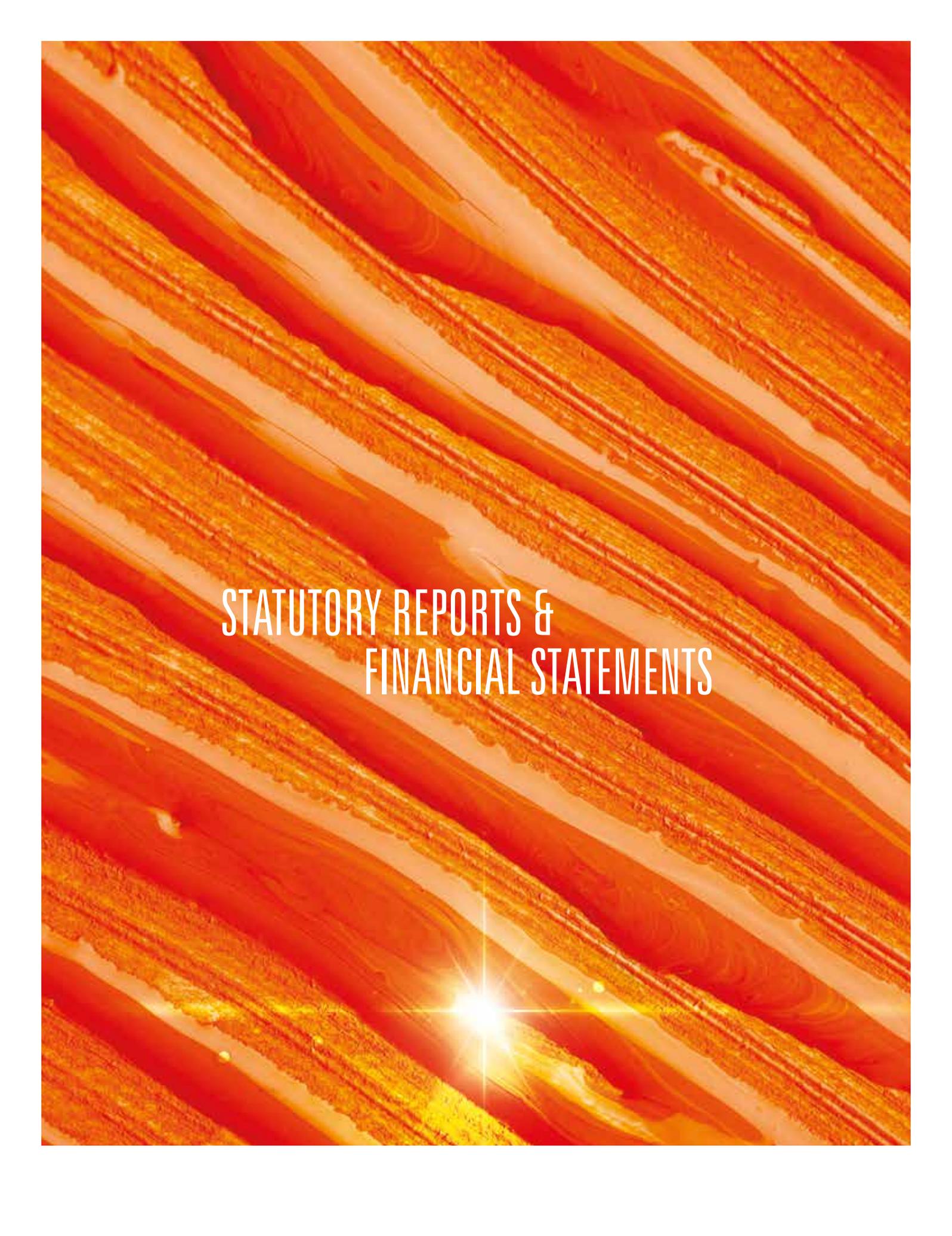
The Company mitigates its key risks across all levels of business operations by identifying and assessing risk keeping business objectives in mind. It also helps to monitor the effectiveness and efficiency of risk responses against strategic, operational, financial and compliances risk. However, there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

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.

The background of the page is a close-up, angled view of a thick stack of books. The pages are densely packed and create a strong sense of depth and texture. A bright, warm light source is positioned at the bottom center, creating a prominent lens flare that illuminates the entire scene with a golden-orange glow. The text is centered over the middle of the stack.

STATUTORY REPORTS &
FINANCIAL STATEMENTS

NOTICE

Notice is hereby given that the Fiftieth Annual General Meeting (50th AGM) of the members of **VIPUL ORGANICS LIMITED** (CIN: L24110MH1972PLC015857) will be held on Wednesday, 14th September, 2022 at 04:30 p.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 50th AGM shall be deemed to be conducted at the Corporate Office of the Company situated at B 603-A, Kaledonia Building, Sahar Road, off. W. E. Highway, Andheri (East), Mumbai – 400069, Maharashtra, which shall be the deemed venue of the 50th AGM.

ORDINARY BUSINESS:

- To receive, consider and adopt (a) the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2022 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, 2022 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, 2022 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, 2022 together with the Auditors’ Report thereon be and are hereby received, considered and adopted.”

- To declare dividend on Equity Shares for the financial year ended 31st March, 2022 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% i.e. ₹0.90 per share on Equity Shares having face value of ₹10/- each fully paid up for the financial year ended 31st March, 2022, be and is hereby declared out of the profits of the said financial year and that the same be paid to those shareholders whose names appeared on the Company’s Register of Members / List of Beneficiaries as on Wednesday, 7th September, 2022 and that the dividend be paid to those shareholders who are entitled to receive the same.”

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

“RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013 read with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Shiv Nath Sahai (DIN: 00332652), Director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation.”

- To appoint M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai (Firm Registration No.: 108331W), as Statutory Auditors of the Company and to fix their remuneration and in this regard, if thought fit, pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 139(2), 141, 142 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai (Firm Registration No.: 108331W) be and are hereby appointed as Statutory Auditors of the Company in place of the retiring auditors viz. M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai, to hold office for a period of 5 (five) consecutive years from the conclusion of this 50th Annual General Meeting until the conclusion of the 55th Annual General Meeting of the Company to be held for the financial year ending 31st March, 2027, at such remuneration and out-of-pocket expenses as may be mutually agreed to, between the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

- 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 the Board of Directors of the Company and subject to all other sanctions, approvals and permissions as may be required, revision in the remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company be and is hereby approved with effect from 1st April, 2022 for remaining period of his current tenure i.e. upto 14th June, 2022 as follows:

1. Remuneration payable:
 - (a) Salary: ₹8,25,000/- (Rupees Eight Lakh Twenty Five 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 leaves as per rules of the Company.
2. Telephone and other communication facilities at residence will not be considered as perquisites.
3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in the 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."

6. 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 the Board of Directors of the Company and subject to all other sanctions, approvals and permissions as may be required, the revision in remuneration payable to Mr. Mihir V. Shah (DIN: 05126125), Whole-Time Director & Chief Financial Officer of the Company be and is hereby approved with effect from 1st April, 2022 for the remaining period of his current tenure on the term and condition as detailed below, with the authority to the Board of Directors to revise the terms, on the recommendation of the Nomination and 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:

1. Remuneration payable:
 - (a) Salary: ₹6,50,000/- (Rupees Six Lakh Fifty Thousand only) per month.
 - (b) Perquisites: The Whole Time 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 leaves as per rules of the Company.
2. Telephone and other communication facilities at residence will not be considered as perquisites.
3. The Company shall reimburse the Whole Time Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Mihir V. Shah as Whole Time Director & Chief Financial Officer 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.”

7. To approve the reappointment of Mr. Vipul P. Shah (DIN: 00181636) as Managing Director of the Company and in this regard, if thought fit, pass the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, the re-appointment of Mr. Vipul P. Shah, (DIN: 00181636) as Managing Director of the Company for a further period of 5 (five) years w.e.f. 15th June, 2022 to 14th June, 2027 be and is hereby approved.

RESOLVED FURTHER THAT the following remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company be and is hereby approved for a period of 3 (three) years w.e.f. 15th June, 2022 to 14th June, 2025 with the authority to the Board of Directors of the Company to revise the terms, on recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force:

Place: Mumbai

Date: 11th August, 2022

Registered Office:

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

1. Remuneration payable:
 - (a) Salary: ₹8,25,000/- (Rupees Eight Lakh Twenty Five 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. Telephone and other communication facilities at residence will not be considered as perquisites;
3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required from time to time in this regard.”

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

Vipul P. Shah

Managing Director

DIN: 00181636

NOTES:

1. As you are aware, in view of continuing COVID-19 global pandemic and aftermath consequences thereof, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 02/2022 dated 5th May, 2022 read with Circular No. 02/2021 dated 13th January, 2021, 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"), has permitted the holding of 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"), and the MCA circulars, the forthcoming 50th AGM of the Company will be conducted through VC/OAVM without physical presence of members at a common venue. The Members can attend and participate in the ensuing 50th AGM through VC/OAVM. The Company has engaged services of Central Depository Services (India) Limited ("CDSL") for conducting of 50th AGM and facilitating voting through electronic means i.e. remote e-voting and e-voting during the 50th AGM.
2. Further, the Securities and Exchange Board of India ("SEBI") vide its circular number SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 read with circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (collectively referred to as "SEBI Circulars"), has given relaxation from sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Act and proxy forms as required under Regulation 44(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") to the members who have not registered their email addresses in case of general meetings held through electronic mode.
3. 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 50th AGM shall be deemed to be conducted at the Corporate Office of the Company situated at B 603-A, Kaledonia, Sahar Road, Off W.E. Highway, Andheri (East), Mumbai - 400069, Maharashtra. Keeping in view the guidelines to fight COVID-19 pandemic, the Members are requested to attend the 50th AGM from their respective locations through VC / OAVM and do not visit the Registered / Corporate Office to attend the AGM.
4. 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 50th 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 50th AGM; hence the Proxy Form, Attendance Slip and Route map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 50th AGM through VC/OAVM and cast their votes through e-voting facilities.
5. The explanatory statement pursuant to the provisions of Section 102(1) of the Act read with Regulation 36 (3) & (5) of the Listing Regulations relating to Ordinary Business under item No. 3 and 4 and special business to be transacted at the 50th 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. 5, 6 and 7 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
6. Brief resume of directors recommended to be appointed / re-appointed or whose remuneration is proposed to be approved at the ensuing 50th AGM in terms of Regulations 36(3) of the Listing Regulations and Secretarial Standard – 2 on "General Meetings" is annexed to the Notice.
7. As undertaken by the Company vide its letter dated 27th December, 2021, while seeking listing approval from the BSE Ltd. for enlistment of 7,00,000 Equity Shares of ₹10/- each issued and allotted to the promoter and promoter group upon conversion of 7,00,000 warrants issued on preferential basis, the compliance certificate received from the Statutory Auditors of the Company dated 18th November, 2021, in terms of Regulation 163(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 will be placed in the meeting.
8. Institutional / Corporate members intending to represent through their authorized representatives in the 50th AGM through VC/OAVM and to vote through remote e-voting or e-voting during the 50th AGM are requested to send to the Company certified copy of the Board Resolution passed pursuant to the provisions of Section 113 of the Act authorizing their representative to the designated e-mail address of the Company i.e.

companysecretary@vipulorganics.com, of the CDSL i.e. helpdesk.evoting@cDSLindia.com and of the Scrutinizer i.e. manish@csmanishb.in.

9. 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 / List of Beneficial Owners of the Company will be entitled to vote at the 50th AGM.
10. The Register of Directors' and Key Managerial Personnel and their Shareholding, 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 50th AGM, will be available for inspection online by the Members on request by sending e-mail to companysecretary@vipulorganics.com.
11. Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books will remain closed from Thursday, 8th September, 2022 to Wednesday, 14th September, 2022 (both days inclusive) for the Purpose of 50th AGM and determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing 50th Annual General Meeting.
12. The dividend on Equity shares as recommended by the Board of Directors for the financial year ended 31st March, 2022, if approved by the members at the ensuing 50th AGM, will be paid to those members whose names shall appear in the Register of Members as on Wednesday, 7th September, 2022; and in respect of shares held by them in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. In case the Company is unable to pay the dividend to any member by the electronic mode due to non-availability of the details of their 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.
13. 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 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.

14. For resident shareholders, tax 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 Financial Year 2022-23 does not exceed ₹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. 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, tax is required to be withheld in accordance with the provisions of Section 195 and other applicable provisions 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 that 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 FY 2022-23 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 6th September, 2022.

15. As per Regulation 40 of the Listing Regulations, as amended, the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with the depositories. The request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Hence members, who hold shares in physical form are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form.
16. The Schedule -I of the Listing Regulations mandates to all listed companies to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House ("NACH"), National Electronic Fund Transfer ("NEFT"), Real Time Gross Settlement ("RTGS") for making payments like dividend to the shareholders. Accordingly, members who have not updated their bank account details and wish to avail such facilities in future are requested to update their bank account details by submitting Form ISR-1 and ISR-2, available on Company's website viz <http://vipulorganics.com> with the Registrar and Share Transfer Agent ("RTA") of the Company in case of shares held in physical mode and with your respective depository participants, with whom you have demat account.
17. The cut-off date for the payment of final dividend for the financial year 2021-22 and the cut-off date for the purpose of determining eligibility of members for e-voting in connection with the 50th AGM has been fixed as Wednesday, 7th September, 2022. ("cut-off date").

18. 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.

19. As required under provisions of Section 124 of the Act, the Company has transferred the unpaid or unclaimed dividend declared upto the financial year 2013-14 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, 2015 is due for transfer to the IEPF Authority in month of November, 2022. The shareholders whose dividend remained unclaimed for the financial year 2014-15 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, 2022 under "Investor Relations" section on the website of the Company viz. 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 5,701 equity shares in respect of which dividend declared for the financial year 2013-14 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 actions through Depositories .

A member desirous to claim back his shares from the IEPF Authority can do so by following procedure prescribed under the said Rules. The aforesaid details are available on the website of the Company viz. <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 the 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 2014-15 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

20. Members can join the 50th 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 this Notice. The facility of participation at the 50th 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.
21. The attendance of the Members attending the 50th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
22. The 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 respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
23. To comply with the provisions of Section 88 of the Act 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.
24. In compliance with the aforesaid MCA and SEBI circulars, the Notice of the 50th AGM along with the Annual Report 2021-22 and instructions for e-voting are being sent through electronic mode only to those members whose email addresses are registered with the Company/Depository Participants. Members may note that the Notice, Annual Report 2021-22 and instructions for remote e-voting and e-voting during the 50th AGM will also be available on the Company's website viz. www.vipulorganics.com, website of the Stock Exchange i.e. the BSE Limited viz. www.bseindia.com and on the website of CDSL viz. www.evotingindia.com.
25. Non-Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents ("RTA"), 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.
26. Members holding shares in identical order of names in more than one folio are requested to send the share certificates to the RTA of the Company, for consolidation of all such shareholdings into one folio to facilitate better services.
27. Members are requested to forward their all communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
28. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
29. Members may also note that 50th Annual Report for the financial year 2021-22 is also available on the website of the company viz. www.vipulorganics.com.
30. 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 RTA/their Depository Participants for receiving all communication including Annual Reports, Circulars etc. from the Company electronically.
31. 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.
32. The SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 had specified the common and simplified norms for processing certain

prescribed service request(s) of shareholders by RTAs and norms for holders of share(s) in physical form for raising the requests with regard to registration or changes / updation of PAN, KYC, nomination and also for banker's attestation of the signature of the shareholders in the event of major mismatch in their signature. All holders of shares in physical form are requested to furnish / update the PAN, Nomination, Contact details, Bank account details and specimen signature to the RTA in Form ISR-1 and ISR-2 respectively. The respective forms are available on the website of the Company and the RTA.

The SEBI has further clarified that physical folios wherein the PAN, KYC and Nomination details are not available on or after 1st April, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payments including dividend only after registering the required details. The said physical folios shall be referred by the Company or the RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025. Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service request(s).

As per the provisions of Section 72 of the Act and aforesaid SEBI circulars, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the Company's website. Members are requested to submit these details to their DPs, in case the shares are held in electronic form, and to the RTA, in case the shares are held in physical form.

33. The SEBI vide Gazette Notification No. SEBI/LAD-NRO/GN/2022/66 dated 24th January, 2022 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has made mandatory for listed companies to issue securities in dematerialized form only; hence while processing certain prescribed service request(s) such as issue of duplicate share certificate, claim from Unclaimed Suspense Account, renewal/exchange of share certificate, endorsement, sub-division/splitting of share certificate, consolidation of share

certificate(s) / folio(s), transmission, and / or transposition received from the shareholder / claimant, the RTA upon receipt of service request(s) from shareholder / claimant, shall verify and process the said request and after removing objections, if any, intimate the shareholder / claimant about its execution/issuance of new certificate as may be applicable and the RTA shall retain the physical Share Certificate with him and shall issue 'Letter of Confirmation' to the shareholder / claimant in lieu of physical share certificate(s). The shareholder / claimant shall lodge a request for dematerialization of shares along with the original Letter of Confirmation received from the RTA within 120 days (One Hundred and Twenty days) of issue of the Letter of Confirmation to his Depository Participant. In case the shareholder / claimant fails to submit the demat request within the aforesaid period, the Company shall credit shares to Suspense Escrow Demat Account of the Company opened for the said purpose.

34. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the 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 50th AGM dated 11th August, 2022. 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 the 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 provided by the depositories as on the cut-off date only shall be entitled to avail the facility of "remote e-voting" or e-voting during the AGM.
 - (c) The "remote e-voting" period commences on Sunday, 11th September, 2022 at 09.00 a.m. and ends on Tuesday, 13th September, 2022 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.
- (e) 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 the 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.
- (f) The Board of Directors of the Company has appointed CS Manish Baldeva, Proprietor of 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 AGM make his Consolidated Scrutinizers’ Report on the votes cast in favour or against, if any, and forthwith the same to the Chairman or a person authorized by him, who shall countersign the same and declare the result of the voting.
- (g) 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. The results shall simultaneously be communicated to the BSE Limited, where shares of the Company are listed.
- (h) Subject to receipt of requisite number of votes in favour, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Wednesday, 14th September 2022.

THE INSTRUCTIONS FOR THE SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING THE 50th AGM AND JOINING MEETING THROUGH VC/OAVM:

- (i) The remote e-voting period begins on Sunday,

11th September, 2022 at 09:00 a.m. and ends on Tuesday, 13th September, 2022 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 (record date) i.e. Wednesday, 7th September, 2022 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 meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Listing Regulations 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 December 9, 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 said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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.nsd.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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>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.</p>

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 or toll free no. 1800 22 55 33
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 meetings for shareholders other than individual shareholders holding in Demat form & Physical shareholders:
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) 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.
 - 6) 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 –For Remote Voting only.
- 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 mandatory 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, 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 ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM/ EGM 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 2 (two) 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 7 (seven) 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 during the AGM.
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/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

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) 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 or at toll free no. 1800 22 55 33

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 or at call toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATIONS 17(1A) AND 36(3) & (5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Item No. 3

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

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Dr. Shiv Nath Sahai, Non-Executive Director of the Company is liable to retire by rotation and has offered himself for re-appointment. Considering his long association with the Company and vast experience in the field of Company's operations, the Board of Directors of the Company, as recommended by the Nomination and Remuneration Committee, has recommended to re-appoint him as Non-Executive Director of the Company.

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

Since Dr. Shiv Nath Sahai has attained the age of 77 years, the Members are requested to accord their approval by way of passing a Special Resolution for his re-appointment as Non-Executive Director of the Company, liable to retire by rotation.

Accordingly, the Board of Directors recommends the passing of Special Resolution set as out at item no. 3 of the notice for approval of members.

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

Item No. 4

M/s. R. A. Kuvadia & Co., Chartered Accountants (having Firm Registration Number 105487W), were appointed as Statutory Auditors of the Company at the 45th Annual General Meeting held on 29th September, 2017 to hold office for a term of five (5) consecutive years from the conclusion of said 45th AGM till the conclusion of the ensuing 50th AGM of the Company; accordingly M/s. R. A. Kuvadia & Co. hold office as the Statutory Auditors of the Company upto the conclusion of ensuing 50th AGM to be held on 14th September, 2022.

Upon recommendation of the Audit Committee, the Board of Directors of the Company has proposed to appoint M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai, (having Firm Registration Number: 108331W), as Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years, commencing from the conclusion of ensuing 50th AGM till the conclusion of the 55th AGM of the members of the Company to be held for the financial year ending 31st March, 2027.

M/s. J. A. Rajani & Co., Chartered Accountants was set up in 1973 and have 49 years of comprehensive experience in the field of audit, taxation, consultancy, certification, legal opinion etc. They provide services to large array of clients ranging from BSE & NSE listed public companies & their subsidiaries, small and medium enterprises, High net worth Individuals and non-profit organisations, engaged in different sectors like Chemicals, Textiles, Metals, FMCG, Printing, Real Estate and other service sectors. They have given their consent for the said appointment and confirmation that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Details of fees payable to the proposed Statutory Auditors:

- a) ₹5,00,000/- plus applicable taxes shall be paid as the fees for the F.Y. 2022-23, with authority to the Board of Directors to revise fees from time to time during their tenure as Statutory Auditors of the Company.
- b) Out of pocket expenses, if any, at actual as may be approved by the Board of Directors.
- c) Fees for any other works not covered in the scope of statutory audit will be paid extra as per mutual agreement between the Statutory Auditors and the Board of Directors of the Company.
- d) Any material change in the fee payable to new auditor from that paid to the outgoing auditor along with rational for such change – There is no material change in fees payable to M/s. J. A. Rajani & Co. from that paid to M/s. R. A. Kuvadiah & Co., retiring auditors.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for your approval.

None of the directors, Key Managerial Personnel of the Company or any of 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 33 years of experience in chemical dye stuff and pharmaceuticals industry. He holds 28,07,625 Equity shares in the Company and is promoter 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 30th May, 2022, revised the remuneration payable to him w.e.f. 1st April, 2022 for the remaining period of his current tenure i.e. upto 14th June, 2022 as specified in the resolution set out at item no. 5 of the notice, subject to approval of the members of the Company in their general meeting.

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

Except Mr. Vipul P. Shah, Managing Director and Mr. Mihir V. Shah, Whole Time Director & CFO 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. 6

Mr. Mihir V. Shah, Whole Time Director & Chief Financial Officer of the Company has been associated with the Company since more than 5 years as Vice-President of the Company and then as Whole Time Director of the Company w.e.f. 1st April 2020. Mr. Mihir V. Shah, aged 30 years, is a graduate in B. Pharma and Master of Business Administration from Narsee Monjee Institute of Management Studies, Mumbai and has also completed six months' industrial training in GlaxoSmithKline Pharmaceuticals Limited. He holds 21,28,250 Equity shares in the Company and is part of the promoter group 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 30th May, 2022, revised the remuneration payable to him w.e.f. 1st April, 2022 for the remaining period of his current tenure as specified in the resolution set out at item no. 6 of the notice, subject to the approval of the m of the Company in their general meeting.

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

Except Mr. Mihir V. Shah, Whole Time Director & Chief Financial Officer 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. 7

Mr. Vipul P. Shah, Managing Director of the Company has been associated with the Company since more than two decades. He is a Chemical Engineer and has around 33 years of experience in chemical dye stuff and pharmaceuticals industry. He holds 28,07,625 Equity shares in the Company and is one of the promoter of the Company. The current tenure of Mr. Vipul P. Shah as Managing Director of the Company expired on 14th June, 2022. 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 30th May, 2022, re-appointed him as Managing Director of the Company for a further period of 5 years w.e.f. 15th June, 2022 to 14th June, 2027, on the terms and conditions as explained in resolution as set out in item no. 7 of this notice, subject to the approval of the members of the Company in their general meeting.

In terms of provisions of Section 197 read with clause (iii) of the second proviso under Para B of Section II of Schedule V to the Companies Act, 2013, the approval of the members of the Company for remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company is sought for a period of 3 years i.e. w.e.f. 15th June, 2022 to 14th June, 2025.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 7 of the Notice for approval of members.

Except Mr. Vipul P. Shah, Managing Director, Mr. Mihir V. Shah, Whole Time Director & Chief Financial Officer 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 RE-APPOINTED OR WHOSE REMUNERATION IS PROPOSED TO BE APPROVED PURSUANT TO THE PROVISIONS OF REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD - 2 ON "GENERAL MEETINGS" IS GIVEN BELOW:

Name of the Director	Mr. Vipul P. Shah	Dr. Shiv Nath Sahai	Mr. Mihir V. Shah
Director Identification Number	00181636	00332652	05126125
Date of Birth	2 nd February, 1966	2 nd August, 1945	5 th July, 1992
Age	56 Years	77 Years	30 Years
Qualification	Chemical Engineer	Ph.D. in Technology Process	Graduate in B. Pharma and Master of Business Administration (MBA)
Date of first Appointment on the Board	21 st June, 1992	10 th December, 1993	1 st April, 2020
Designation	Mr. Vipul P. Shah is the Managing Director of the Company.	Dr. Shiv Nath Sahai is Non Executive Non Independent Director of the Company.	Mr. Mihir V. Shah is Whole Time Director & Chief Financial Officer of the Company.
Nature of his expertise in specific functional areas	Mr. Vipul Shah is a Chemical Engineer, having more than 33 years of experience in chemical dye stuff and pharmaceuticals industry.	Dr. Shiv Nath Sahai is a Ph.D. in Technology process and having more than 41 years of experience in marketing and Techno commercial areas. He has also served as the WTD and Chief Financial Officer of the Company. He is associated with the Company for more than 2 decades.	Mr. Mihir V Shah has more than 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	Nil
Directorship held in other companies	1. Shree Ambika Naturals Private Limited 2. Jayapriya Chemical Industries Limited	1. Jayapriya Chemical Industries Limited	1. Shree Ambika Naturals Private Limited 2. Jayapriya Chemical Industries Limited
No. of equity shares held in the Company	28,07,625	Nil	21,28,250
No. of Board Meetings attended during the year	7 (Seven)	8 (Eight)	8 (Eight)
Terms and conditions of appointment / reappointment	Re-appointment for a period of 5 years w.e.f. 15 th June, 2022.	Liable to retire by rotation.	Not applicable, as revised remuneration is proposed to be approved.

Name of the Director	Mr. Vipul P. Shah	Dr. Shiv Nath Sahai	Mr. Mihir V. Shah
Remuneration last drawn during the financial year 2021-22	₹90.00 Lakh	Sitting fees – ₹60,000/-	₹64.90 Lakh
Remuneration proposed to be paid	₹8,25,000/- per month and other terms and conditions as may be decided by the Board	Only sitting fees for attending meetings of the Board of Directors and Committees thereof payable.	₹6,50,000/- per month and other terms and conditions as may be decided by the Board
Disclosure of relationship between directors inter-se	Father of Mr. Mihir Shah, Whole Time Director & Chief Financial Officer of the Company.	Not Related	Son of Mr. Vipul P. Shah, Managing Director of the Company
Summary of Performance Evaluation / Justification for choosing the appointees for appointment as Independent Directors	Not applicable	Not applicable	Not applicable

ADDITIONAL INFORMATION FOR ITEM NOS. 5, 6 and 7

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

I General Information	
(1) Nature of industry	The Company is engaged in the business of manufacturing of Dye intermediates.
(2) Date or expected date of commencement of commercial production	The Company is an existing company and is in operations since 1972.
(3) In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	N.A.
(4) Financial performance based on given indicators	EPS: ₹5.71 Return on net worth: 13.16%
(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 30 years, is a graduate in B. Pharma and Master of Business Administration (MBA) from Narsee Monjee Institute of Management Studies, Mumbai and thereafter completed six months of industrial training in GlaxoSmithKline Pharmaceuticals Limited. He is associated with Vipul Organics Limited since more than 5 years. His areas of operations in the Company are production management, innovation management and marketing.
(2) Past Remuneration	₹5,40,000/- p.m. 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 5 years as the Vice- President of the Company and also Chief Financial Officer w.e.f. 15 th September, 2020. His areas of operations in the Company are production management, innovation management and marketing.
(5) Remuneration proposed	₹6,50,000/-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 Whole-Time Director & 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 part promoter group of the Company.
B. Mr. Vipul P. Shah		
(1)	Background details	Mr. Vipul P. Shah, aged 56 years, is a Chemical Engineer, has around 33 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	₹7,50,000/- 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	₹8,25,000/- 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 promoter of the Company.
III. Other information		
(1)	Reasons of loss or inadequate profits	The Company could not achieve higher level of profits due to stiff competition and more particularly due to present pandemic times.
(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.

Place: Mumbai
Date: 11th August, 2022

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

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

Vipul P. Shah
Managing Director
DIN: 00181636

BOARD OF DIRECTORS' REPORT

To the Members,
Vipul Organics Limited

Your directors are pleased to present herewith the 50th Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS

The financial highlights for the financial year under review compared to the previous financial year are given here-in-below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Current Financial Year ended 31 st March, 2022	Previous Financial Year ended 31 st March, 2021	Current Financial Year ended 31 st March, 2022	Previous Financial Year ended 31 st March, 2021
Revenue from Operations	13,319.69	11,953.31	13,319.69	11,869.98
Other Income	196.29	21.70	196.29	22.76
Total Revenue	13,515.98	11,975.01	13,515.98	11,892.73
Less: Expenditure except Finance Cost & Depreciation & Tax	11,853.73	10,302.48	11,855.30	10,218.70
Profit before Finance Cost, Depreciation & Tax	1,662.25	1,672.53	1,660.68	1,674.03
Less: Finance Cost	164.10	135.64	164.10	135.64
Less: Depreciation and Amortization	522.29	580.87	522.45	582.64
Profit Before Tax	975.86	956.02	974.13	955.76
Less: Provision for Tax (including deferred tax)	277.29	270.49	277.29	270.51
Profit After Tax	698.56	685.53	696.83	685.25
Other Comprehensive Income/Loss (Net of Tax)	(6.90)	0.80	(6.90)	0.80
Total Comprehensive income attributable to: Non-Controlling Interest	-	-	(0.76)	(0.13)
Total Comprehensive income attributable to Owners of equity	691.66	686.34	689.93	686.05
Total Comprehensive Income (Net of Tax)	691.66	686.34	690.69	686.18

2. COVID-19 PANDEMIC OUTBREAK AND ITS IMPACT

During the financial year under review, second wave of ongoing COVID-19 led lockdown in the first two months of the financial year and after that situation gradually became normal. 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 earned total revenue of ₹13,515.98 Lakh

(previous year ₹11,975.01 Lakh) and Net Profit after Tax of ₹698.56 Lakh (previous year ₹685.53 Lakh) on Standalone basis.

The Company has earned consolidated revenue of ₹13,515.98 Lakh (previous year ₹11,892.73 Lakh) and consolidated Net Profit After Tax of ₹696.83 Lakh (previous year ₹685.25 Lakh), 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 the business of the Company during the financial year under review.

5. DIVIDEND AND RESERVES

Your directors have pleasure in recommending payment of dividend ₹0.90 (Ninety Paise only) being 9% per share on Equity Shares of ₹10/- for the financial year ended 31st March, 2022. This will absorb total cash outflow of ₹1,15,30,687.50. The dividend, if approved, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries as on Wednesday, 7th September, 2022.

During the financial year under review, 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 were 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 was increased from ₹10,50,00,000/- (Rupees Ten Crore Fifty Lakh only) to ₹13,50,00,000/- (Rupees Thirteen Crore Fifty Lakh only) divided into 1,35,00,000 (One Crore Thirty Five Lakh) Equity Shares of ₹10/- each.

During the financial year under review, the Company issued and allotted total 7,00,000 Equity Shares of ₹10/- each at an issue price of ₹111/- each (including premium of ₹101/- per share) upon conversion of 7,00,000 convertible warrants issued on preferential basis to the Promoter and Promoter group.

As on 31st March, 2022, the issued, subscribed and paid-up Equity Share Capital of the Company stood at ₹10,24,95,000/- comprising of 1,02,49,500 Equity Shares of ₹10/- each.

8. BONUS ISSUE

To celebrate the Company's momentous occasion of completion of 50 glorious years of its existence and to reward its members for their continued support and encouragement, the Company issued and allotted 25,62,375 Bonus Equity Shares to its existing equity shareholders in the ratio 1:4 i.e. 1 (One) new fully paid-up Equity Share of ₹10/- (Rupees Ten only) each for every 4 (Four) fully paid-up Equity Shares of ₹10/- (Rupees Ten only) each on 11th April, 2022.

After such allotment, the issued, subscribed and paid-up Equity Share Capital of the Company is ₹12,81,18,750/- comprising of 1,28,11,875 Equity Shares of ₹10/- each

9. "VIPUL ORGANICS LIMITED - EMPLOYEE STOCK OPTION SCHEME 2022 ("VOL - ESOS 2022")"

As a part of the 50 years' celebrations and to reward its employees for their continued hard work, dedication and support which has led the Company on the growth path, the Company has established "VIPUL ORGANICS LIMITED - EMPLOYEE STOCK OPTION SCHEME 2022 ("VOL - ESOS 2022")" w.e.f. 1st April, 2022. Under the VOL - ESOS 2022, total 2,00,000 Equity Shares of ₹10/- each are reserved for issue and allotment to the employees upon exercise of even number of options to be granted to the eligible employees of the Company from time to time.

Since during the financial year under review, no ESOP / ESOS scheme was implemented or was in force, disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is not required to be given.

10. INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the provisions of Section 125 of the Companies Act, 2013 ('the Act'), 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 Authority established by the Government of India after the completion of seven years. Further, according to the said IEPF Rules, the shares on which dividend remains 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 under review, the Company has transferred 5,701 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 2013-14.

In terms of the provisions of Section 125 of the Act and the said IEPF Rules, during the financial year under review, an amount of ₹202,314/- being remained unpaid / unclaimed dividend for the financial year 2013-14 was transferred to the IEPF Authority.

Further, the unpaid and unclaimed dividend amount lying with the Company for the financial year 2014-15 is due to transfer to the IEPF in the month of November, 2022. The details of the same are available on the Company's website viz. www.vipulorganics.com.

Mrs. Krina Sanghvi, Company Secretary and Compliance Officer of the Company acted as the Nodal Officer to ensure compliance with the IEPF Rules. She resigned from her post w.e.f. 30th July, 2022 and the Company is in process of appointing another Nodal Officer.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

As on 31st March, 2022, the Board comprised of six directors including one Women Independent Director. The Board has an appropriate mix of Executive, Non-Executive and Independent Directors, which is in compliance with the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') 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 Act read with Companies (Management & Administration) Rules, 2014 and the Articles of Association of the Company, Dr. Shiv Nath Sahai (DIN: 00332652), Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

II. Appointment and re-appointment

Mr. Mihir V. Shah (DIN 05126125), who retired by rotation at previous 49th Annual General Meeting held on 16th September, 2021, was reappointed as director of the Company in terms of provisions of Section 152(6) of the Act.

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 Listing Regulations, the Board of Directors of the Company appointed Mrs. Krina Sanghvi as Company Secretary and Compliance Officer of the Company w.e.f. 17th December, 2021.

The current tenure of Mr. Vipul P. Shah as Managing Director of the Company expired on 14th June, 2022. 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 re-appointed Mr. Vipul P. Shah as Managing Director of the Company for a further period of 5 (five) consecutive years w.e.f. 15th June, 2022 to 14th June, 2027, subject to approval of the members in the ensuing 50th Annual General Meeting of the Company.

Brief resume of the directors proposed to be appointed / re-appointed / whose remuneration to be approved as stipulated under Regulation 36(3) of the Listing Regulations and Secretarial Standards

- 2 (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), are provided in Notice of 50th Annual General Meeting of the Company.

III. Cessation

Ms. Kinjal Shah, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. closing working hours of 4th December, 2021. The Board places on record its sincere appreciation for her hard work during her stint in the Company.

Mrs. Krina Sanghvi, Company Secretary and Compliance Officer of the Company resigned from the services of the Company w.e.f. closing working hours of 30th July, 2022. 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 Act and Regulation 16(1)(b) of the Listing Regulations and pursuant to Regulation 25 of the Listing Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandates 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 Act. Your directors have made necessary disclosures, as required under various provisions of the Act and the Listing Regulations.

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

V. Annual performance evaluation by the Board

The Board has devised a policy pursuant to the provisions of the Act and the Listing Regulations 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 and Committee meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of the Company and its performance; and
- 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 viz. www.vipulorganics.com.

During the financial year under review, a separate meeting of the Independent Directors of the Company was held on 29th January, 2022 for evaluation of performance of non-independent Directors and the Board as a whole.

VI. Key Managerial Personnel (“KMP”):

During the financial year under review, the following persons acted 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. Kinjal Shah	Company Secretary and Compliance Officer (upto 4 th December, 2021)
4.	Mrs. Krina Sanghvi	Company Secretary and Compliance Officer (w.e.f. 17 th December, 2021 to 30 th July, 2022)

12. MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company's business, policies and strategies. A tentative annual calendar of the Board and Committee Meetings is informed to the directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is also taken by passing resolutions through circulation, as permitted by law, which is noted in the subsequent Board meeting.

The notice of Board meetings 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 are circulated 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the directors to take informed decisions.

The Board met 8 (eight) 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 Act and the Listing Regulations.

13. COMMITTEES OF THE BOARD:

In accordance with the provisions of the Act and Listing Regulations, the Company has constituted three committees of the Board, namely:

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

Details of all the Committees along with their 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.

14. AUDIT COMMITTEE AND ITS COMPOSITION

As on 31st March, 2022, 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 the 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 the Audit Committee are given in Report of Corporate Governance, forming part of this report.

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process and vigil mechanism.

15. REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has adopted a policy for selection and appointment of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") 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.

16. 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 Act 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 31st March, 2022 and of the profit of the Company for that period;
- 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.

17. 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.

18. DEPOSITS

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

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

The details of loans, guarantee or investments made by the Company falling under Section 186 of the Act are given under Notes to Accounts of Financial Statements.

20. 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 of Corporate Governance and can be accessed on the Company's website viz. www.vipulorganics.com. We affirm that during the financial year under review, no employee or director was denied access to the Chairman of Audit Committee.

21. 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.

22. 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 Act in Form AOC-2 is not applicable.

In accordance with the provisions of Regulation 23 of the Listing Regulations, the Company has adopted the policy on related party transactions and the same is available on the Company's website viz. www.vipulorganics.com.

23. 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.

24. ANNUAL RETURN

As required under Section 92(3) read with the Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the copy of Annual Return as on 31st March, 2022 will be placed on the website of the Company and can be accessed at https://www.vipulorganics.com/annual_returns.htm.

25. STATUTORY AUDITORS

As per provisions of the Section 139(1) 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 and hold office as such upto the conclusion of ensuing 50th Annual General Meeting of the Company.

The Board of Directors of the Company, on recommendation of the Audit Committee, recommends the appointment of M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai (having FRN: 108331W), as Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years from the conclusion of the ensuing 50th Annual General Meeting of the Company till the conclusion of the 55th Annual General Meeting of the Company to be held for the financial year ending 31st March, 2027. The Company has received a letter from them to the effect that they are willing to get appointed as Statutory Auditors and if appointed, their appointment would be within the limits prescribed and confirmation to the effect that they are not disqualified from being appointed as the Statutory Auditors of the Company in terms of the provisions of Sections 139 and 141 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors places on record its appreciation for the services rendered by M/s. R. A. Kuvadia & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company.

26. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Company appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the financial year under review.

The Secretarial Audit Report is appended as **Annexure-I** and forms a part of this report.

27. INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act read with the Companies (Accounts) Rules, 2014, the Board, on recommendation of the Audit Committee, appointed M/s Mukund Rohit & Co., Chartered Accountants, Mumbai, as Internal Auditors of the Company. The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control systems in the Company, its compliances with the operating systems, accounting procedure and polices at all locations of the Company and report to the Audit Committee on the quarterly basis.

28. COST AUDITORS AND COST RECORDS

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act 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 out audit of its cost records.

29. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

The Statutory Auditors have not made any qualification, 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 Secretarial Compliance Report and Secretarial Audit Report, we would like to state as follows:

Sr. No.	Observations	Explanation of Board of Directors
1.	Delay in filing of some e-forms with Registrar of Companies, Mumbai, Maharashtra.	Delay in filing of some e-forms with Registrar of Companies was due to oversight.
2.	As required under Section 203 of the Act and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had no Company Secretary & Compliance Officer during the period from 5 th December, 2021 to 16 th December, 2021.	Due to resignation of Ms. Kinjal Shah, Company Secretary & Compliance Officer and Nodal Officer, from the services of the Company w.e.f. closing of business hours of 4 th December, 2021, the vacancy occurred. The Company appointed Mrs. Krina Sanghavi as Company Secretary & Compliance Officer and Nodal Officer of the Company w.e.f. 17 th December, 2021 and complied with the said provisions.
3.	As required under Rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company had no Nodal Officer during the period from 5 th December, 2021 to 16 th December, 2021.	
4.	As required under Regulation 30 of the Listing Regulations, the intimation of resignation of Ms. Kinjal Shah, Company Secretary & Compliance Officer was not given to the BSE Ltd. within the stipulated time period i.e. within 24 hours of the event date.	Delay in intimation of resignation of Ms. Kinjal Shah, Company Secretary & Compliance Officer to the BSE Limited was inadvertent, however the Company complied with the provisions of Regulation 30 of the Listing Regulations subsequently.

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

30. 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 made 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.

31. 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.

32. SUBSIDIARY COMPANY, JOINT VENTURES AND ASSOCIATE COMPANIES:

Shree Ambika Naturals Private Limited is 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 Act, 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.

33. CONSOLIDATED AUDITED FINANCIAL STATEMENTS

Pursuant to the provisions of Sections 129 and 133 of the Act read with the Companies (Accounts) Rules, 2014 and as required under Regulation 34 of the Listing Regulations, 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.

34. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORTS

Pursuant to the provisions of Regulation 34(3) and Schedule V of the Listing Regulations, 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.

35. MANAGERIAL REMMUNERATION AND OTHER DETAILS

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act 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 copy of the same may write to the Company Secretary and Compliance Officer of the Company and the same will be furnished on request.

36. CORPORATE SOCIAL RESPONSIBILITY:

The details of the initiatives taken by the Company pursuant to the provisions of Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, regarding Corporate Social Responsibility are given in **Annexure-IV**, which forms part of this report.

37. 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.

38. LISTING:

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

39. CREDIT RATINGS:

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

Sr. No.	Name of the Credit Rating Agency	Facilities	Ratings
1.	Acuite Ratings & Research	Total Facilities Rated	₹30.00 cr.
		Long Term Rating	ACUITE BBB-/ Outlook: Stable (Assigned)
		Short Term Rating	ACUITE A3 (Assigned)

40. 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.

41. 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.

42. 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 under review.

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**

Vipul P. Shah
Managing Director
DIN: 00181636

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

Place: Mumbai
Date: 11th August, 2022

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to the provisions of 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, minutes 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 **31st March, 2022** ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 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:
 - (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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (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 ('Listing Regulations').
- (vi) As informed and certified by the management of the Company, 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 Audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, except in respect of matters specified below:

1. *delay in filing of some e-forms with Registrar of Companies, Maharashtra, Mumbai;*

2. *as required under Section 203 of the Act and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had no Company Secretary & Compliance Officer during the period from 5th December, 2021 to 16th December, 2021;*
3. *as required under Rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company had no Nodal Officer during the period from 5th December, 2021 to 16th December, 2021; and*
4. *as required under Regulation 30 of the Listing Regulations, the intimation of resignation of Ms. Kinjal Shah, Company Secretary & Compliance Officer was not given to the BSE Ltd. within the stipulated time period i.e. within 24 hours of the event date.*

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 and members to schedule the Board and Committee 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 meetings.

All decisions at Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the respective meetings.

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 events having major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above:

- a. The Company has issued and allotted 7,00,000 Equity Shares having face value of ₹10/- each upon

conversion of 7,00,000 Warrants at an issue price ₹111/- each (including premium of ₹101/- per share) to the promoter and promoter group of the Company on preferential basis.

- b. The Company conducted Postal Ballot process in accordance with the provisions of Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and guidelines prescribed by the Ministry of Corporate Affairs for inter-alia conducting postal ballot process through remote e-voting vide General Circular No. 20/2021 dated 8th December, 2021 read with circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020 and 10/2021 dated 23rd June, 2021 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India. The result of the Postal Ballot was announced on 1st April, 2022, whereby following resolutions were passed with requisite majority:

- i. Special Resolution for adoption of new set of the Articles of Association of the Company;
- ii. Special Resolution for increase in Authorised Share Capital from ₹10,50,00,000/- to ₹13,50,00,000/- divided into 1,35,00,000 Equity Shares of ₹10/- each and consequent amendment in the Memorandum of Association of the Company;
- iii. Ordinary resolution for issue of 25,62,375 Bonus Equity Share in the ratio of 1:4 i.e. 1 (one) new fully paid-up Equity Share of ₹10/- each for every 4 (four) fully paid-up Equity Shares of ₹10/- each held by eligible members of the Company by capitalizing a sum of ₹2,56,23,750/- out of Securities Premium Account, General Reserves and any other permitted reserves / surplus of the Company; and
- iv. Special Resolution for approval of the Vipul Organics Limited - Employee Stock Options Scheme 2022 ("VOL-ESOS 2022") of the Company.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva

Proprietor

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

Peer Review No.: 1436/2021

UDIN: F006180D000428833

Place: Thane

Date: 30th May, 2022

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.*

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 provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account 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 6180C.P. No. 11062

Peer Review No.: 1436/2021

UDIN: F006180D000428833

Place: Thane

Date: 30th May, 2022

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 statements of subsidiaries / associate companies / joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ in Lakh)

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	104.55
5.	Reserves & surplus	(28.23)
6.	Total assets	95.51
7.	Total Liabilities	19.19
8.	Investments	0
9.	Turnover	0.26
10.	Profit before taxation	(1.73)
11.	Provision for taxation	0
12.	Profit after taxation	(1.73)
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 financial 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: 11th August, 2022

Vipul P. Shah Managing Director DIN: 00181636	Mihir V. Shah Whole Time Director & CFO DIN: 05126125
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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, 2022:

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Mr. Vipul P. Shah	31.39
2.	Mr. Mihir V. Shah	24.73

(Median remuneration of the employees of the Company for the financial year 2021-22 is ₹286,727/-)

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended 31st March, 2022:

Sr. No.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.
1.	Mr. Vipul P. Shah	27.12%
2.	Mr. Mihir V. Shah	68.50%
3.	Mrs. Krina Sanghvi	N.A.

- (iii) The percentage increase in the median remuneration of employees in the financial year 55.29%
- (iv) The number of permanent employees on the rolls of the Company 96
- (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 (50%) and managerial personnel is (23%)
- (vi) We hereby confirm 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**

Vipul P. Shah
Managing Director
DIN: 00181636

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

Place: Mumbai
Date: 11th August, 2022

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline of CSR Policy of the Company:

The brief outline of the Company's CSR policy is as follows:

- 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 the CSR Committee:

Pursuant to the provisions of Section 135(9) of the Companies Act, 2013, the amount to be spent by the Company towards Corporate Social Responsibility ("CSR") activities does not exceed ₹50.00 Lakh during the financial year under review, hence the requirement for constitution of CSR Committee is not applicable to the Company. The functions of the Committee as provided under Section 135 of the Companies Act, 2013 are discharged by the Board of Directors of the Company.

3. The web-link where CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

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 ₹)	Amount required to be set- off for the financial year, if any (₹ in Lakh)
Nil			

6. Average net profit of the Company as per section 135(5): ₹706.27

- a) Two percent of average net profit of the Company as per section 135(5): ₹14.13
- 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): ₹14.13

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

Total Amount Spent for the Financial Year (₹ in Lakh)	Amount Unspent (₹ in Lakh)				
	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 (₹ in Lakh)	Date of Transfer	Name of the Fund	Amount (₹ in Lakh)	Date of Transfer
14.51	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 Lakh)	Amount spent in the current financial Year (₹ in Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakh)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation -Through Implementing Agency (Name & CSR Registration Number)
Nil										

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 Lakh)	Mode of Implementation -Direct (Yes/ No)	Mode of Implementation -Through Implementing Agency (Name & CSR Registration Number)
1	Contribution given to Jeevandeep Parmarthik Nyas to build diagnostic center in Ujjain.	Promoting Health Care including preventive health care	No	Madhya Pradesh, Ujjain	13.00	No	CSR00024425
2	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	No	Gujarat, Bhavnagar	0.75	No	CSR00003869
3	Contribution given to HH Mehta Charitable Trust for providing medical facility and animal feeding	Protection of flora and fauna, animal welfare	No	Maharashtra, Ahmednagar	0.76	No	CSR00007250
Total					14.51		

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): ₹ 14.51

g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (₹ in Lakh)
1.	Two percent of average net profit of the company as per section 135(5)	14.13
2.	Total amount spent for the Financial Year	14.51
3.	Excess amount spent for the financial year [(ii)-(i)]	0.39
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)]	*0.39

*The Company has spent in excess of mandatory requirement under the Companies Act, 2013, however the same is not proposed to be carried for set-off in succeeding financial year.

9. 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 Lakh)	Amount spent in the reporting Financial Year (₹ in Lakh)	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 Lakh)
				Name of the Fund	Amount (₹ in Lakh)	Date of Transfer	
1.	2020-21				Nil		
2.	2019-20				Nil		
3.	2018-19				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 Lakh)	Amount spent on the project in the reporting Financial Year (₹ in Lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakh)	Status of the project- Completed / Ongoing
					Nil			

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: 11th August, 2022

Vipul P. Shah
Managing Director
DIN: 00181636

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

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	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.	
(ii) the steps taken by the company for utilising alternative sources of energy		
	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.	
	b) Your Company has focused on productivity so that unit consumption per piece is reduced.	
(iii) the capital investment on energy conservation equipment	Nil	
B Technology absorption		
(i) the efforts made towards technology absorption	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.	
(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)::	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.	
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	The Company has therefore not spent any expenditure on Research and Development during the year under review.	
(iv) the expenditure incurred on Research and Development		
C Waste Water Management		
	The Company has purchased ZLD (Zero-liquid discharge) plant for waste water management and is running successfully.	
C Foreign exchange earnings and outgo		
	2021-22 (₹ in Lakh)	2020-21 (₹ in Lakh)
(i) The foreign exchange outgo (actual outflows)	1,312.17	964.58
(ii) The foreign exchange earned (actual inflows)	15,004.25	9,553.56

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

Vipul P. Shah
Managing Director
DIN: 00181636

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

Place: Mumbai
Date: 11th August, 2022

REPORT ON CORPORATE GOVERNANCE

[Pursuant to the provisions of 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 viz. www.vipulorganics.com.

2.2 Code of Conduct for Prevention of Insider Trading:

As per provisions of the 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 Safety, Health & Environment ("SHE") 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, 2022, 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 Woman Independent Director).

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

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

3.3. Attendance at the meetings:

During the financial year under review, the Board of Directors met eight (8) times on 15th April, 2021, 8th June, 2021, 29th July, 2021, 1st November, 2021, 4th December, 2021, 16th December, 2021, 29th January, 2022, 28th February, 2022. 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 2021-22 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		Attendance at last AGM held on 16 th September, 2021	No. of directorship held in other public companies	Committee position in other companies		No. of shares and convertible instruments held (as on 31 st March, 2022)
		Held	Attended			Chairman	Member	
Mr. Vipul P. Shah	Promoter & Managing Director	8	7	Present	1	-	-	22,46,100 Equity Shares
Dr. Shiv Nath Sahai	Non-Executive, Non-Independent director	8	8	Present	1	-	-	-
Mr. Jagdeep Y. Mehta	Independent Director	8	8	Present	-	-	-	-
Mr. Prasannakumar B. Gawde	Independent Director	8	8	Present	-	-	-	-
Mrs. Megha S. Bhati	Independent Director	8	8	Present	-	-	-	-
Mr. Mihir V. Shah	Whole Time Director & CFO	8	8	Present	1	-	-	17,02,600 Equity Shares

Note:

- The directorships held by directors as mentioned above does not include Nominee directorships, directorship in foreign companies, Companies incorporated under section 8 of the Companies Act, 2013, high value debt listed entities and Private limited Companies.
- 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.
- None of non-executive directors hold any shares / convertible securities in the Company.

f) Details of directorships including the category of directorships as on 31st March, 2022:

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 Nath 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 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 the 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 programmes are available on the Company's website viz. <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 allow 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 P. Shah	Dr. Shiv Nath Sahai	Mr. Jagdeep Mehta	Mr. Prasanna Kumar B. Gawde	Mrs. Megha Bhati	Mr. Mihir V. 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;	√	√	√	√	√	√

Core skills / competencies / Expertise and Description	Name of the Directors					
	Mr. Vipul P. Shah	Dr. Shiv Nath Sahai	Mr. Jagdeep Mehta	Mr. Prasanna Kumar B. Gawde	Mrs. Megha Bhati	Mr. Mihir V. Shah
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 ("Act") and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a separate meeting of the Independent Directors of the Company was held on 29th January, 2022 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 Act and the Listing Regulations.

3.7 Terms and conditions for appointment of Independent Directors:

Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. 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 viz. 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 Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations 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 Directors serve 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.

4. COMMITTEES OF THE BOARD:

4.1 Audit Committee

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee.

4.2 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 statements are 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 results/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 results/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 Listing Regulations read with Section 177 of the Act.

4.3 Composition of Committee:

As on 31st March, 2022, the Committee comprised of two Independent Directors and one Executive Director having financial background and knowledge in the areas of business of the Company. The Committee comprised of Mr. Prasannakumar B. Gawde as the Chairman of the Committee and Mr. Jagdeep Mehta and Mr. Vipul P. Shah as its members. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background. The partners/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.

4.4. Meetings and attendance during the financial year:

During the financial year under review, 4 (four) meetings of the Audit Committee were held on 8th June, 2021, 29th July, 2021, 1st November, 2021 and 29th January, 2022.

The composition of the Committee and the number of meetings attended by each member during the financial year ended 31st March, 2022 is as under:

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

5. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, 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 ("KMP") and senior management personnel ("SMP") of the Company.

5.1. 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 viz. 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 viz. 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.

5.2. Composition:

As on 31st March, 2022, 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.

5.3. Meetings and attendance during the financial year:

During the financial year under review, the Nomination and Remuneration Committee met 3 (three) times on 8th June, 2021, 4th December, 2021 and 28th February, 2022.

The composition of the Committee and number of meetings attended by each member during the financial year ended 31st March, 2022 is as under:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	3	3
Mr. Jagdeep Y. Mehta	Member	3	3
Mrs. Megha S. Bhati	Member	3	3

5.4 Performance Evaluation Criteria for Independent Directors:

Pursuant to the provisions of Section 178(2) of the Act read with Regulation 17(10) of the Listing Regulations, the Board of Directors of the Company has evaluated the performance of each Independent Director and

fulfillment of the independence criteria as specified in the Listing Regulations 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.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

6.1. 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 read with Schedule II Part D (B) of the Listing Regulations.

6.2. Composition:

As on 31st March, 2022, 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.

Ms. Kinjal Shah, Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee upto 4th December, 2021, and Mrs. Krina Sanghvi was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 17th December, 2021.

6.3. Meetings and attendance during the financial year:

During the financial year under review, the Stakeholders'

Relationship Committee met 4 (four) times on 8th June, 2021, 29th July, 2021, 1st November, 2021 and 29th January, 2022.

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Prasannakumar B. Gawde	Chairman	4	4
Mr. Mihir V. Shah	Member	4	4
Mr. Vipul P. Shah	Member	4	4

6.4. Status of Investor complaints:

Pending at the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
0	1	1	0

6.5. Name and Address of the Compliance Officer:

Ms. Kinjal Shah, Company Secretary and Compliance Officer (upto 4th December, 2021)

Mrs. Krina Sanghvi, Company Secretary and Compliance Officer (w.e.f. 17th December, 2021)

E-mail : companysecretary@vipulorganics.com

Phone No. : 022-66139999

Fax : +91-22-66139977
Number

Corporate Office : B 603-A, Kaledonia, Sahar Road, Off. W.E. Highway, Andheri East, Mumbai - 400069.

7. RISK MANAGEMENT COMMITTEE:

During the financial year under review, the Company was not required to constitute Risk Management Committee under Regulation 21 of the Listing Regulations.

8. REMUNERATION OF DIRECTORS:

(1) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2021-22.

(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 Act 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 2021-22 and number of shares held as on 31st March, 2022 by the Directors of the Company are as follows:

(₹ in Lakh)

Name of the Directors	Salary & Perquisites	Performance/ Incentive / Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Vipul P. Shah	90.00	-	-	-	90.00	28,07,625
Dr. Shiv Nath Sahai	-	-	-	0.60	0.60	-
Mr. Jagdeep Y. Mehta	-	-	-	0.95	0.95	-
Mr. Prasannakumar B. Gawde	-	-	-	1.15	1.15	-
Mrs. Megha S. Bhati	-	-	-	0.75	0.75	-
Mr. Mihir V. Shah	64.80	0.10	-	-	64.90	21,28,250

- The above details of remuneration of fees paid include all elements of remuneration package of directors summarized under major heads.
- As on 31st March, 2022, no stock options were granted either to the Executive Directors or employees of the Company.

- 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.

9. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2021-22	16 th September, 2021 (AGM)	10.30 a.m.	Meeting held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
2020-21	30 th January, 2021 (EGM)	10:30 a.m.	Meeting held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
2020-21	30 th September, 2020 (AGM)	9:50 a.m.	Meeting held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
2019-20	30 th September, 2019 (AGM)	3:15 p.m.	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2019-20	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.

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

Date of Meetings	Particulars of Special Resolution
16 th September, 2021 (AGM)	1) Approval of the revision in remuneration payable to Mr. Mihir V. Shah (DIN: 05126125), Whole Time Director & Chief Financial Officer of the Company. 2) Approval of the revision in remuneration payable to Mr. Vipul P. Shah (DIN: 00181636), Managing Director of the Company.
30 th January, 2021 (EGM)	1) Issue and allotment of Warrants on Preferential basis. 2) Increase in Authorized Share Capital and consequent amendment in the 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.
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.

9.3. Postal Ballot:

During the financial year under review, the Company conducted postal ballot process once. The details of the postal ballot process are as follows:

The Company dispatched Postal Ballot Notice dated 28th February, 2022, on 28th February, 2022 to its shareholders to seek their consent for the following matters:

- 1) Adoption of new set of the Articles of Association of the Company.
- 2) Increase in Authorised Share Capital and consequent amendment in the Memorandum of Association of the Company.
- 3) Issue of Bonus Equity Shares.
- 4) Approval of The Vipul Organics Limited - Employee Stock Options Scheme 2022 ("VOL - ESOS 2022") of the Company.

Date of remote e-voting period

2nd March, 2022 to 31st March, 2022

The postal ballot process was undertaken in accordance with the provisions of Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for *inter-alia* conducting postal ballot process through remote e-voting vide General Circulars No. 20/2021 dated 8th December, 2021 read with circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020 and 10/2021 dated 23rd June, 2021 ("MCA Circulars"), and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India ("ICSI").

CS Manish Baldeva, Practicing Company Secretary, Thane was appointed as Scrutinizer for conducting the Postal Ballot process in fair and transparent manner. The result of the Postal Ballot was announced on 1st April, 2022. The details of resolutions passed through postal ballot and the voting pattern for the same are as follows:

Resolution No. 1:

Resolution Required: (Special)		Special Resolution for adoption of new set of the Articles of Association of the Company.						
Whether promoter / promoter group are interested in the agenda / resolution?		No						
Category	Mode of Voting	No. of Shares held (1)	No. of valid votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of votes – in favour (4)	No. of votes-against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100
Promoter and Promoter group	Postal Ballot	6453100	5129100	79.4827	5129100	0	100.0000	0.0000
TOTAL		6453100	5129100	79.4827	5129100	0	100.0000	0.0000
Public-Institutions	Postal Ballot	100	0	0.0000	0	0	0.0000	0.0000
TOTAL		100	0	0.0000	0	0	0.0000	0.0000
Public- Non Institutions	Postal Ballot	3462300	22188	0.6408	22187	1	99.9955	0.0045
TOTAL		3462300	22188	0.6408	22187	1	99.9955	0.0045
TOTAL		9915500	5151288	51.9519	5151287	1	99.9999	0.0001

Invalid votes: Nil

Result: The resolution passed with requisite majority.

Resolution No. 2:

Resolution Required: (Special) Special Resolution for increase in Authorised Share Capital and consequent amendment in the Memorandum of Association of the Company.

Whether promoter / promoter group are interested in the agenda / resolution? No

Category	Mode of Voting	No. of Shares held (1)	No. of valid votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of votes – in favour (4)	No. of votes-against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100
Promoter and Promoter group	Postal Ballot	6453100	5129100	79.4827	5129100	0	100.0000	0.0000
	TOTAL	6453100	5129100	79.4827	5129100	0	100.0000	0.0000
Public-Institutions	Postal Ballot	100	0	0.0000	0	0	0.0000	0.0000
	TOTAL	100	0	0.0000	0	0	0.0000	0.0000
Public- Non Institutions	Postal Ballot	3462300	22189	0.6409	22188	1	99.9955	0.0045
	TOTAL	3462300	22189	0.6409	22188	1	99.9955	0.0045
	TOTAL	9915500	5151289	51.9519	5151288	1	99.9999	0.0001

Invalid votes: Nil

Result: The resolution passed with requisite majority.

Resolution No. 3:

Resolution Required: (Ordinary) Ordinary Resolution for issue of Bonus Equity Shares.

Whether promoter / promoter group are interested in the agenda / resolution? Yes

Category	Mode of Voting	No. of Shares held (1)	No. of valid votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of votes – in favour (4)	No. of votes-against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100
Promoter and Promoter group	Postal Ballot	6453100	5129100	79.4827	5129100	0	100.0000	0.0000
	TOTAL	6453100	5129100	79.4827	5129100	0	100.0000	0.0000
Public-Institutions	Postal Ballot	100	0	0.0000	0	0	0.0000	0.0000
	TOTAL	100	0	0.0000	0	0	0.0000	0.0000
Public- Non Institutions	Postal Ballot	3462300	22192	0.6410	22191	1	99.9955	0.0045
	TOTAL	3462300	22192	0.6410	22191	1	99.9955	0.0045
	TOTAL	9915500	5151292	51.9519	5151291	1	99.9999	0.0001

Invalid votes: Nil

Result: The resolution passed with requisite majority.

Resolution No. 4:

Resolution Required: (Special) Special Resolution for approval of the Vipul Organics Limited - Employee Stock Option Scheme 2022 ("VOL - ESOS 2022") of the Company.

Whether promoter / promoter group are interested in the agenda / resolution? No

Category	Mode of Voting	No. of Shares held (1)	No. of valid votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of votes – in favour (4)	No. of votes- against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100
Promoter and Promoter group	Postal Ballot	6453100	5129100	79.4827	5129100	0	100.0000	0.0000
TOTAL		6453100	5129100	79.4827	5129100	0	100.0000	0.0000
Public-Institutions	Postal Ballot	100	0	0.0000	0	0	0.0000	0.0000
TOTAL		100	0	0.0000	0	0	0.0000	0.0000
Public- Non Institutions	Postal Ballot	3462300	22192	0.6410	21789	403	98.1840	1.8160
TOTAL		3462300	22192	0.6410	21789	403	98.1840	1.8160
TOTAL		9915500	5151292	51.9519	5150889	403	99.9922	0.0078

Invalid votes: Nil

Result: The resolution passed with requisite majority.

No business is proposed to be transacted through Postal Ballot.

10. MEANS OF COMMUNICATION:

10.1 The Company has published quarterly/half yearly/ annual results as per details mentioned below:

Newspapers	Date of Board Meeting	Date of Publication
Business Standard (English- All India Edition)	08-06-2021	10-06-2021
Mumbai Lakshadweep (Marathi)	29-07-2021	31-07-2021
	01-11-2021	03-11-2021
	29-01-2022	31-01-2022

10.2 Website:

The Company's website viz. 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.

10.3 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 2021-22 are available on the website of the Company.

11. GENERAL INFORMATION FOR THE SHAREHOLDERS:

11.1 Annual General Meeting for the financial year 2021-22:

Day : Wednesday
Date : 14th September, 2022
Time : 04:30 P.M.
Venue : Through Video Conferencing / Other OAVM

11.2 Financial Year:

1st April to 31st March

11.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 8th September, 2022 to Wednesday, 14th September, 2022 (both days inclusive).

11.4 Cut-off date for voting rights:

The voting rights of the shareholders shall be reckoned on the equity shares held by them as on the cut-off date i.e. Wednesday, 7th September, 2022. Remote e-voting shall open from Sunday, 11th September, 2022 at 09.00 a.m. and end on Tuesday, 13th September, 2022 at 05.00 p.m.

11.5 Dividend Payment Date: Credit / Dispatch between 21st September, 2022 to 10th October, 2022

11.6 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 2022-23.

11.7 Stock Code: BSE: 530627

11.8 ISIN: INE834D01018

11.9 Stock Market Price Data and comparison with BSE Sensex:

The monthly high and low quotation 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 (₹)	Low (₹)	High	Low
April-21	204.85	147.00	50,375.77	47,204.50
May-21	190.00	165.00	52,013.22	48,028.07
June-21	198.00	160.25	53,126.73	51,450.58
July-21	229.00	163.65	53,290.81	51,802.73
August-21	210.00	153.75	57,625.26	52,804.08
September-21	194.40	159.55	60,412.32	57,263.90
October-21	188.80	169.25	62,245.43	58,551.14
November-21	182.80	142.35	61,036.56	56,382.93
December-21	166.35	143.00	59,203.37	55,132.68
January-22	245.00	151.45	61,475.15	56,409.63
February-22	229.95	167.15	59,618.51	54,383.20
March-22	223.80	192.00	58,890.92	52,260.82

* Source: www.bseindia.com

11.10 Performance of Vipul Organics Limited share price in comparison to BSE Sensex (Based on closing Price) for the financial year ended 31st March, 2022:



11.11 Trading of Securities:

The securities of the Company were not suspended from trading during the financial year 2021-22.

11.12 Registrar and Share Transfer Agents:

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093
Tel No.: +91-22-62638200
Email ID: investor@bigshareonline.com

11.13 Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations as amended from time to time, securities of the Company can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of transmission or transposition of securities. Further, the SEBI had fixed 31st March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are relodged for transfer shall be issued only in DEMAT mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Further, the SEBI has, vide its Circular No.: SEBI/ HO/ MIRSD/ MIRSD_RTAMB/ P/ CIR/ 2022/ 8 dated 25th January, 2022 ('SEBI Circular'), mandated the issue of share(s) in dematerialized form only while processing the Shareholder's Service Request(s) received for issue of duplicate share certificates, claim from Unclaimed Suspense Account, renewal / exchange of share certificates, endorsement, sub-division / splitting of share certificates, consolidation of share certificates / folios, transmission and transposition. Upon receipt of any service request(s) from the shareholder / claimant, Link Intime India Private Limited, Registrar and Share Transfer Agent ('RTA') of the Company shall verify and process the said request(s) and thereafter issue a 'Letter of Confirmation' in lieu of physical share certificate(s) to the shareholder / claimant, if documents are found in order. In case of any query(ies) or issue(s) regarding process of the service request(s), shareholder / claimant can contact RTA (Cont. No.: 022 – 62638200) or write an e-mail at investor@bigshareonline.com.

11.14 The Distribution of Shareholding as at 31st March, 2022:

Slab of Shares Holding (in ₹)		Shareholders	Percentage (%)	Amount (₹)	Percentage (%)
From	To				
1	5000	7198	92.2466	6185630	6.0351
5001	10000	268	3.4346	2125220	2.0735
10001	20000	150	1.9223	2329760	2.2730
20001	30000	53	0.6792	1403400	1.3692
30001	40000	27	0.3460	980660	0.9568
40001	50000	19	0.2435	917950	0.8956
50001	100000	32	0.4101	2327620	2.2710
100001	and above	56	0.7177	86224760	84.1258
TOTAL		7803	100.0000	102495000	100.0000

11.15 Dematerialization of shares and liquidity:

As on 31st March, 2022, about 98.63% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.

11.16 Convertible Instrument:

The Company has not issued any American Depository Receipts ("ADRs")/ Global Depository Receipts ("GDRs"). The Company has issued and allotted 7,00,000 warrants carrying a right to subscribe for one Equity Share of ₹10/- each per warrant to the promoter and promoter group of the Company on a preferential basis on 23rd February, 2021. 7,00,000 warrants were converted into 7,00,000 Equity Shares of ₹10/- each in 3 tranches, as mentioned below:

Sr. No.	Date	No. of warrants converted
1.	01.11.2021	68,500
2.	16.12.2021	2,97,500
3.	28.02.2022	3,34,000
Total		7,00,000

After conversion of aforesaid warrants, the issued, subscribed and paid-up share capital of the Company stood at ₹10,24,95,000 divided into 1,02,49,500 Equity Shares of ₹10/- each.

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

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

As regards foreign exchange risk, there is natural hedging of risk as Company's import and export generally remain at the same level.

11.18 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations:

The Company mobilized a sum of ₹7.77 Crore through issue and allotment of 7,00,000 Equity Shares of ₹10/- each upon conversion of 7,00,000 convertible warrants issued at an issue price of ₹111/- per warrant (Rupees One Hundred and Eleven only) including premium of ₹101/- (Rupees One Hundred One only) per share to the promoter and promoter group of the Company.

The details of utilization of aforesaid amount are as follows:

Sr. No.	Purpose of raising funds	Amount utilized (₹ in Lakh)		
		Upto 31.03.2021	During the financial year 2021-22	Total
1.	Expansion plan (upto ₹5.50 Crores)	137.89	323.21	461.10
2.	Working capital requirements (upto to ₹2.27 Crores)	18.71	197.43	216.14
Total		156.60	520.64	677.24

11.19 Plant locations:

- | | |
|--|--|
| <p>(i) Plot No. 11/12, Survey No. 35,
Diwan & Sons Industrial Estate,
Village Aliyali, Palghar (West),
Dist. Thane – 401404, Maharashtra</p> | <p>(iii) Plot No. A/14, MIDC,
A.M.P. Road, Ambernath (West),
Dist. Thane – 421501, Maharashtra</p> |
| <p>(ii) Plot No. T-115, MIDC Industrial Area,
Tarapur, Village Pam, Boisar (West),
Dist. Palghar-401506, Maharashtra</p> | |

11.20 Registered Office:

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

Corporate Office:

B 603-A, Kaledonia, Sahar Road,
Off. W. E. Highway,
Andheri (East), Mumbai –400069

11.21 Address for investor correspondence:

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

Bigshare Services Private Limited

Unit: Vipul Organics Limited
Office No. S6-2, 6 Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093, Maharashtra
Tel No.:+91-22-62638200
Email ID: investor@bigshareonline.com

Company Secretary and Compliance Officer

Vipul Organics Limited
B 603-A, Kaledonia, Sahar Road, Off. W.E. Highway, Andheri (East), Mumbai – 400069, Maharashtra
Tel No.:+91-22-66139999
Fax No.:+91-22-66139977/75
Email ID: companysecretary@vipulorganics.com

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

Sr. No.	Name of the Credit Rating Agency	Facilities	Ratings
1.	Acuite Ratings & Research	Total Facilities Rated	₹30.00 cr.
		Long Term Rating	ACUITE BBB-/Outlook: Stable (Assigned)
		Short Term Rating	ACUITE A3 (Assigned)

12. DISCLOSURES:

12.1 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, 2022 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 viz. <http://vipulorganics.com/policies.htm>.

12.2 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.

12.3 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 directors & 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 directors or employees who avail 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 2021-22, no director or employee was denied access to the Audit Committee.

12.4 Policy for determining "material" subsidiaries:

As on 31st March, 2022, the Company had 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 Listing Regulations for Material Subsidiary. The Company has formulated a policy for determining 'material' subsidiaries and the same is displayed on the website of the Company viz. www.vipulorganics.com.

12.5 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 of the Company.

12.6 Recommendations by the Committees

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

12.7 Adoption of mandatory and non-mandatory requirements of Regulation 27 of the Listing Regulations:

The Company has complied with all the mandatory requirements of Regulation 27 of the Listing Regulations. The details of these compliances with the non-mandatory requirements adopted by the Company has been given in the relevant section of this report.

12.8 Compliance of the requirements of Corporate Governance Report:

During the financial year 2021-22, 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 Listing Regulations.

12.9 Disclosure of the Compliance with Corporate Governance:

The Company has complied with the Regulations 17 to 20, 22, 23, 24, 24A, 25 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 of the Listing Regulations during the financial year 2021-22, whenever applicable. Regulation 21 of the Listing Regulations are not applicable to the Company.

12.10 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 Listing Regulations:

- (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 does not have designated Chairman.
- (c) Reporting of Internal Auditor
The Internal Auditors report directly to the Audit Committee.

12.11 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 viz 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.

12.12 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 shares, *which inter alia includes equity shares and debentures* (by way of Buy/Sell/ ESOP exercise/Pledge Creation/Pledge Revocation and Invocation of Pledge, etc.).

12.13 Certificate from Practicing Company Secretaries under Regulation 34(3) of the Listing Regulations

The Company has received a certificate pursuant to the provisions of Regulation 34(3) read with Schedule V of the Listing Regulations 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.

12.14 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.

12.15 Disclosure with respect to Demat suspense account/ unclaimed suspense account:

The Company had none of its securities lying in demat suspense account / unclaimed suspense account / Suspense Escrow account arising out of public / bonus / right issues / expiration of period of 120 days from date of issuance of 'Letter of Confirmation' by the RTA as per SEBI circular No. SEBI/LAD-NRO/GN/2022/66 dated 24th January, 2022 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 in matters w.r.t. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates /

folios; transmission and transposition received from the shareholder / claimant, during the financial year 2021-22 or as on 31st March, 2022. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not required to be given.

12.16 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 viz. www.vipulorganics.com, wherever required.

12.17 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

12.18 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 the Listing Regulations which is annexed herewith and forms part of Annual Report.

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

Place: Mumbai
Date: 11th August, 2022

Vipul P. Shah **Mihir V. Shah**
Managing Director Whole Time Director & CFO
DIN: 00181636 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 Senior Management Personnel of the Company have confirmed compliance with the Code of Conduct during the financial year ended 31st March, 2022.

For **Vipul Organics Limited**

Vipul P. Shah
Managing Director
DIN: 00181636

Place: Mumbai
Date: 11th August, 2022

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 2022, 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 SEBI (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, 2022. 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

Place: Mumbai
Date: 11th August, 2022

Membership No. 040087
UDIN: 22040087AOVPBQ7347

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to provisions of Regulation 34(3) read with Clause 10(i) of Part C of Schedule V 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 – 400053

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of Vipul Organics Limited (CIN: L24110MH1972PLC015857), having Registered Office at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai - 400053 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate in accordance with the provisions of Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the Securities and 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 during the Financial Year ended 31.03.2022 have been debarred or disqualified from being appointed or continuing as director 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.	Mr. Mihir V. Shah	05126125	01.04.2020
2.	Mr. Jagdeep Y. Mehta	00332523	15.12.2005
4.	Dr. Shiv Nath Sahai	00332652	10.12.1993
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 based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M Baldeva Associates

Company Secretaries

CS Manish Baldeva

Proprietor

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

Peer Review No. 1436/2021

UDIN: F006180D000429011

Place: Thane

Date: 30th May, 2022

Independent Auditor's Report

To the Members of Vipul Organics Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Vipul Organics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing ("SAs") 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 Standalone 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 independence requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the

standalone 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 Standalone financial statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Director's 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 course of our 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 on the even date.

Management's Responsibility for the Standalone financial statements

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone 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 statements process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control 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 system, in relation to the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with the Management, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (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, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations, which will have an impact on its financial position in its financial statements-refer note 35 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
 - v. The dividend declared and paid during the current year and previous year by the Company is in compliance with section 123 of the Act.
- The Company has paid/provided for managerial remuneration paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

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

R. A. Kuvadia
Proprietor

Place: Mumbai
Date: 30th May, 2022

Membership No. 040087
UDIN :22040087AJXRWB7344

“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 March 31, 2022:

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment. The Company has maintained proper records showing full particulars of intangible assets.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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 at Ankleshwar whose gross block is ₹25 lakhs, which is held for more than 26 years and details for which are not available and Leasehold land whose book value is ₹752.74 lakhs, which was acquired in current year and held in name of Gujrat Industrial Development Corporation for which the Company is under the process to execute lease deed.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

According to the information and explanations given to us and based on our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- 2) The inventories has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such

verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

The Company has a working capital limit in excess of ₹5 crore sanctioned by banks based on the security of current assets. The quarterly returns, in respect of the working capital limits have been filed by the Company with such banks and such returns are in agreement with the books of account of the Company for the respective periods except for quarter ended 30th June, 2021 filed with Axis Bank and Bank of Baroda where major difference was noted in inventory amounting to ₹320.77 lakhs. (Amount reported ₹1864.59 lakhs vs amount as per books ₹2164.59 lakhs).

- 3) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year except for loan to a subsidiary company amounting to ₹9.63 lakhs and year end balance is ₹9.63 lakhs.

According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given to a subsidiary company are, prima facie, not prejudicial to the interest of the Company.

According to the information and explanations given to us, there is no stipulation of schedule of payment of principle and payment of interest granted to a subsidiary company, we are unable to make specific comments on the regularity of repayment of interest, principle and overdue amounts.

The Company has not granted any loan or advance in the nature of loan, which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

- 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 Act, with respect to loans, investments and guarantees made.

- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) According to information and explanations given to us and based on our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and service tax, Income-Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.
- According to the information and explanation given to us, there are no dues of income tax, Value added tax, service tax, custom duty, excise duty and any other statutory dues outstanding on account of any dispute except for followings:-

Name of the statute/dues	Amount (in 'Lakhs)	Period	Forum where the dispute is pending
Income Tax Act,1961	0.55	A.Y. 2002-03	Income Tax Appellant Tribunal, Mumbai
Income Tax Act,1961	3.16	A.Y. 2011-12	Commissioner of Income Tax–Appeals, Mumbai
Income Tax Act,1961	217.14	A.Y. 2017-18	Commissioner of Income Tax–Appeals, Mumbai

- 8) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- 9) The Company has not defaulted in repayment of the loans or other borrowings or in the payment of interest thereon to any lender during the year.
- The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- The Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
- On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been applied for long term purpose.
- We report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- We report that The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause 3 (x)(a) of the Order are not applicable to the Company and hence not commented upon.
- The Company has made preferential allotment or private placement of shares during the year. In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment or private placement of shares for the purposes for which they were raised.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. In

view of the above reporting under clause 3 (xi) (b) of the order is not applicable.

To the best of our knowledge and according to the information and explanations given to us, the company has not received whistle-blower complaints, during the year.

- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (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 Standalone financial statements as required by the applicable accounting standards.
- 14) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Section 192 of the Act are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

- 17) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we give neither any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable

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

R. A. Kuvadia
Proprietor

Place: Mumbai
Date: 30th May, 2022

Membership No. 040087
UDIN :22040087AJXRWB7344

“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 statements of Vipul Organics Limited (“the Company”) as of 31st March, 2022 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 statements 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 statements 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 statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial statements (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, 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 statements 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 statements and their operating effectiveness.

Our audit of internal financial controls over financial statements includes obtaining an understanding of such internal financial controls, 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 over financial statements.

Meaning of Internal Financial Controls Over Financial statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial statements 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 statements

Because of the inherent limitations of internal financial controls over 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 over financial statements to future periods are subject to the risk that the internal financial control over financial statements 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 statements and such internal financial controls over financial statements were operating effectively as at 31st March, 2022, based on the internal control over financial statements 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 statements issued by the Institute of Chartered Accountants of India.

For R. A. Kuvadia & Co.

Chartered Accountants
Firm Reg. No. 105487W

R. A. Kuvadia
Proprietor

Place: Mumbai
Date: 30th May, 2022

Membership No. 040087
UDIN :22040087AJXRWB7344

Standalone Balance Sheet as at 31st March, 2022

(₹ in Lakh)

Particulars	Note No.	March 31, 2022	March 31, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	3,512.70	2,733.42
Right of use assets	4	89.76	113.15
Intangible Assets	4	8.89	11.99
Capital work-in-progress	4	3.37	35.84
Investment in Subsidiaries	5	112.55	112.55
Other Investment-Financial Asset	5	56.41	111.51
Other non-current assets	6	416.69	354.94
		4,200.38	3,473.40
Current Assets			
Inventories	7	3,053.76	1,782.33
Financial assets			
Trade receivables	8	4,213.29	3,505.53
Cash and Cash equivalents	9	169.93	487.96
Other bank balances	10	106.19	120.40
Other Financial assets	11	73.20	47.21
Other current assets	12	902.49	1,311.91
		8,518.86	7,255.35
TOTAL		12,719.23	10,728.75
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	1,024.95	954.95
Other Equity	14	4,229.62	2,916.90
Advance Subscription against share warrants	15	-	194.25
Equity attributable to owners of the company		5,254.57	4,066.10
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	649.19	918.41
Lease Liabilities	17	83.50	101.12
Non Current provisions	18	1.77	1.77
Deferred tax liabilities (Net)	19	46.07	57.82
		780.52	1,079.12
Current Liabilities			
Financial Liabilities			
Borrowings	20	2,273.92	1,775.53
Trade payables	21		
Total Outstanding Dues -Micro and small enterprises		155.20	186.21
Total Outstanding Dues -Others		3,750.56	3,126.33
Other Financial liabilities	22	260.25	208.57
Other current liabilities	23	51.37	84.55
Short-term provisions	24	192.85	202.33
		6,684.14	5,583.53
TOTAL		12,719.23	10,728.75

See accompanying notes to the financial statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

For and on behalf of the Board of Directors

of **Vipul Organics Limited**

Vipul P. Shah

Managing Director

DIN: 00181636

Mihir V. Shah

Whole Time Director & CFO

DIN: 05126125

Shiv Nath Sahai

Director

DIN: 00332652

Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

Standalone Statement of Profit & Loss for the financial year ended 31st March, 2022 (₹ in Lakh)

Particulars	Note No.	March 31, 2022	March 31, 2021
I. Revenue from operations	25	13,319.69	11,953.31
II. Other income	26	196.29	21.70
III. Total Income (I + II)		13,515.98	11,975.01
IV. Expenses:			
Cost of materials consumed	27	5,816.19	3,188.08
Purchases of Stock-in-Trade	27	4,066.29	4,320.05
Changes in Inventories of Stock-in-Trade	28	(1,294.31)	154.75
Employee benefits expense	29	673.01	545.57
Finance costs	30	164.10	135.64
Depreciation & Amortisation	31	522.29	580.87
Other Expenses	32	2,592.55	2,094.02
Total expenses		12,540.12	11,018.99
V. Profit before tax (III-IV)		975.86	956.02
VI. Tax expense:			
(1) Current tax	33	286.39	273.63
(2) Deferred tax		(9.10)	(3.14)
Total Tax expense		277.29	270.49
VII. Profit for the year (V-VI)		698.56	685.53
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligations		(9.56)	1.11
Income tax relating to above items that will not be reclassified to profit or loss		2.66	(0.31)
Other comprehensive income/(loss) net of tax		(6.90)	0.80
IX. Total comprehensive income net of tax (VII+VIII)		691.66	686.34
X. Earnings per equity share:	34		
(1) Basic		5.71	6.03
(2) Diluted		5.71	6.03

See accompanying notes to the financial statements
In terms of our report attached.

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

R. A. Kuvadia
Proprietor
Membership No. 040087

Mumbai
Dated :30th May,2022

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

Vipul P. Shah
Managing Director
DIN: 00181636

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

Shiv Nath Sahai
Director
DIN: 00332652

Krina Sanghvi
Company Secretary & Compliance Officer
Membership No.: A47242

Standalone Cash Flow Statement for the financial year ended 31st March, 2022

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Prior Period Items	975.86	956.02
Adjustment for		
Depreciation and amortisation expense	522.29	580.87
Other Comprehensive Income	(6.90)	0.80
Interest Income	(10.77)	(7.59)
Dividend Income	(0.84)	(1.04)
Fair Value Gain on Financial Assets	46.81	(55.61)
Finance Cost	164.10	135.64
(Gain) / Loss on sale of Investment	(95.66)	-
(Gain) / Loss on sale of Capital Asset	6.21	-
Subsidy Deferred Revenue Income	(6.29)	-
Operating Profit before Working Capital Changes	1,594.80	1,609.09
Adjustment for:		
Decrease/ (Increase) in Inventories	(1,271.42)	(159.02)
Decrease/ (Increase) in Trade Receivable	(707.76)	(1,009.55)
Decrease/ (Increase) in current asset/Other Financial Asset	394.46	(157.77)
Decrease/ (Increase) in non current Assets	(61.75)	12.92
Increase/(Decrease) in Trade Payables	593.22	(299.98)
Increase/ (Decrease) in other financial/Other Liabilities	2.16	(67.48)
Cash Generated from operations	543.69	(71.79)
Taxes Paid (Including TDS) (net)	(297.69)	(154.83)
Net Cash used in Operation	246.01	(226.64)
B Cash Flow from Investing Activities		
Purchase of Tangible and Intangible Assets	(1,349.75)	(148.55)
Proceeds from sale of Fixed Assets	107.15	-
Proceeds from sale of Investment	103.79	-
Proceeds from Subsidy for Fixed Asset	22.62	-
Interest /Dividend Income	9.93	6.55
Net Cash from Investing Activities	(1,106.26)	(142.00)
C Cash Flow from Financing Activities		
Proceeds from Equity/ Warrant issue	582.75	194.25
Increase/ (Decrease) in Long term borrowing	(286.85)	192.60
Increase/ (Decrease) in Short term borrowing	498.39	265.15
Dividend Paid	(87.97)	(79.35)
Finance cost Paid	(164.10)	(135.63)
Net Cash from Financing Activities	542.22	437.02
Net Increase in Cash & Cash Equivalents	(318.03)	68.38
Opening Balance of Cash & Cash Equivalents	487.96	419.58
Closing Balance of Cash & Cash Equivalent	169.93	487.96

See accompanying notes to the financial statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

For and on behalf of the Board of Directors

of **Vipul Organics Limited**

Vipul P. Shah

Managing Director

DIN: 00181636

Mihir V. Shah

Whole Time Director & CFO

DIN: 05126125

Shiv Nath Sahai

Director

DIN: 00332652

Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

Standalone Statement of Changes in Equity for the financial year ended 31st March, 2022

(₹ in Lakh)

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

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning of the reporting period	95,49,500	954.95	77,24,500	772.45
Changes in equity share capital during the year	7,00,000	70.00	18,25,000	182.50
Balance at the end of the reporting period	1,02,49,500	1,024.95	95,49,500	954.95

b. Other Equity

Particulars	Share Suspense Account	Reserves and Surplus				Other Comprehensive Income	Total
		Securities premium	Capital Reserve	General reserve	Retained Earnings		
Balance at 31 March 2020	182.50	969.78	62.78	90.10	1,188.71	(5.08)	2,488.78
Profit for the year	-	-	-	-	685.53	0.80	686.34
Addition / reduction during the year	-	-	-	-	(75.71)	-	(75.71)
Reduction -Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 51)	(182.50)	-	-	-	-	-	(182.50)
Balance at 31 March 2021	-	969.78	62.78	90.10	1,798.53	(4.28)	2,916.90
Profit for the year	-	-	-	-	698.56	-	698.56
Addition / reduction during the year	-	707.00	-	-	(85.95)	(6.90)	614.15
Balance at 31 March 2022	-	1,676.78	62.78	90.10	2,411.15	(11.18)	4,229.62

See accompanying notes to the financial statements
In terms of our report attached.

For **R. A. Kuvadia & Co.**
Chartered Accountants
Firm Registration No. 105487W
R. A. Kuvadia
Proprietor
Membership No. 040087

Mumbai
Dated :30th May,2022

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

Vipul P. Shah
Managing Director
DIN: 00181636
Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

Shiv Nath Sahai
Director
DIN: 00332652
Krina Sanghvi
Company Secretary & Compliance Officer
Membership No.: A47242

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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

The standalone financial statements for the year ended March 31, 2022 were considered by the Board of Directors and approved for issuance on 30th May, 2022.

1.2 Statement of Compliance

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

1.3 Basis of preparation and presentation

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

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 inputs are unobservable inputs for the asset or liability.

1.4. Functional and presentation currency

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

2. Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected. In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

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

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

amount is less than its carrying amount, the impairment loss is accounted for.

2.3 Employee Benefits

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

2.4 Litigation

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

3. Significant Accounting Policies

3.1 Property, plant and equipment:

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

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

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant

and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest if any.

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

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

3.2. Depreciation

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

3.3. Intangible assets

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

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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 within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely consisting payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within

a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

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

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

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

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

Derecognition:

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

Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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.

3.9. Borrowing Cost

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

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

3.10. Leases

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. 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.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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.

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

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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. 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

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognized in the financial statements.

3.19. Current / non- current classification

An asset is classified as current if:

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

All other assets are classified as non-current.

A liability is classified as current if:

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

All other liabilities are classified as non-current.

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

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

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

4 Property, plant and equipment

	Gross Block			Accumulated depreciation / amortisation			Net block	
	As at April 01, 2021	Additions during the year	Deletion during the year	As at April 01, 2021	Additions during the year	Deletion during the year	As at March 31, 2021	As at March 31, 2022
A Property, plant and equipment								
Factory Land	282.91	754.98	107.78	-	-	-	282.91	930.11
Factory Building	1,118.59	164.14	-	160.50	93.09	-	958.09	1,029.14
Plant & Machinery	2,142.64	323.63	-	754.40	364.18	-	1,388.24	1,347.69
Furniture & Fixtures	92.79	27.38	-	48.18	12.16	-	44.62	59.84
Motor Car/Vehicles	95.18	89.48	39.85	57.80	13.72	38.63	37.38	111.91
Office Equipment	36.47	14.72	-	25.19	5.55	-	11.28	20.45
Computer	35.84	9.74	-	28.32	6.92	-	7.51	10.34
Office Building	4.35	-	-	0.96	0.17	-	3.39	3.22
Total A	3,808.78	1,384.08	147.63	1,075.35	495.80	38.63	2,733.42	3,512.70
B Right to use assets (refer note 4B)								
Lease Assets	116.93	-	-	3.78	23.39	-	113.15	89.76
Total B	116.93	-	-	3.78	23.39	-	113.15	89.76
C Capital work-in-progress								
Total C	35.84	-	32.47	-	-	-	35.84	3.37
	35.84	-	32.47	-	-	-	35.84	3.37
D Intangible Assets								
Software	22.04	-	-	10.05	3.10	-	11.99	8.89
Total D	22.04	-	-	10.05	3.10	-	11.99	8.89

Refer note 16 & 20 for assets provided as security.

Factory Building includes ₹27.83 Lakhs book value 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.

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Title deeds of Immovable Property not held in the name of the Company Land at Ankleshwar carrying value 25 Lakhs.

*Title deeds of immovable Property not held in the name of the Company for Land at Saykha GIDC, Dahej carrying value 752.74 Lakhs acquired in current year wherein the Company is under the process of executing lease deed with GIDC.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

Property, plant and equipment

(₹ in Lakh)

	Gross Block		Accumulated depreciation / amortisation		Net block		
	As at April 01, 2020	Additions during the year	Deletion during the year	As at April 01, 2020	As at March 31, 2021	As at April 01, 2020	As at March 31, 2021
A							
Factory Land	282.91	-	-	-	-	282.91	282.91
Factory Building	1,118.59	-	-	100.93	160.50	1,059.02	958.09
Plant & Machinery	2,054.10	88.54	-	319.13	754.40	1,734.97	1,388.24
Furniture & Fixtures	86.72	6.07	-	33.65	48.18	53.07	44.62
Vehicles	67.03	28.15	-	49.69	57.80	17.34	37.38
Office Equipment	34.02	2.46	-	17.37	25.19	16.65	11.28
Computer	33.45	2.39	-	22.25	28.32	11.20	7.51
Office Building	4.35	-	-	0.79	0.96	3.56	3.39
Total A	3,681.18	127.60	-	3,808.78	572.90	3,178.73	2,733.42
B							
Right to use assets (refer note 4B)							
Lease Assets	-	116.93	-	-	3.78	-	113.15
Total B	-	116.93	-	116.93	3.78	-	113.15
C							
Capital work-in-progress							
Total C	14.89	20.95	-	-	-	14.89	35.84
Total C	14.89	20.95	-	35.84	-	14.89	35.84
D							
Intangible Assets							
Software	22.04	-	-	5.86	4.19	16.18	11.99
Total D	22.04	-	-	5.86	4.19	16.18	11.99

** 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 ₹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.

Title deeds of Immovable Property not held in the name of the Company Land at Ankleshwar carrying value 25 Lakhs.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

4A Capital WIP Ageing Schedule

As at March 31, 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	2.16	0.21	0.73	0.27	3.37
Projects temporarily suspended	-	-	-	-	-
	2.16	0.21	0.73	0.27	3.37
Intangible Assets					
Project in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at March 31, 2021	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	20.95	0.73	-	14.16	35.84
Projects temporarily suspended	-	-	-	-	-
	21.00	1.00	-	14.00	36.00
Intangible Assets					
Project in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

4B Right to use

(i) Amounts to be recognised in balance sheet as on March 31, 2022

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2022	March 31, 2021
Lease hold land	116.93	116.93
Total	116.93	116.93

Lease liabilities	March 31, 2022	March 31, 2021
Current	17.62	12.95
Non - Current	83.50	101.12
Total	101.12	114.08

(ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2022

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

Depreciation	March 31, 2022	March 31, 2021
Lease hold land/building	23.39	3.78
Total	23.39	3.78

Interest expenses on lease liabilities (included in finance cost) ₹309 thousand

(iii) Total cash outflow for leases during financial year was :

Particulars	March 31, 2022	March 31, 2021
Operating cash flows : Interest expenses	17.42	3.09
Total	17.42	3.09

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

5 Non-current Investments:

(₹ in Lakh)

	March 31, 2022	March 31, 2021
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)	2.55	2.55
2550 (Prev.Yr. 2550) Equity Shares of ₹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)	110.00	110.00
Total	112.55	112.55
Non-Current Investments:		
(a) Investments in Equity Instruments		
Equity Shares (Quoted & carried at fair value through Profit & loss)	56.00	111.10
(b) Investments in Government Securities :		
Government Securities (Unquoted at cost) (Deposited with Government authorities)	0.01	0.01
(c) Investments in Debentures:		
Debentures (at Cost)	0.41	0.41
Total	56.41	111.51

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

(₹ in Lakh)

	As at			
	March 31, 2022		March 31, 2021	
	Units	Amount	Units	Amount
Arvind Ltd. (1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹10 Each)	1,000	1.15	1,000	0.66
Arvind Smartspaces Ltd. (100 (Prev.Yr. 100l) Equity shares Fully paid of ₹10 Each)	100	0.20	100	0.10
Arvind Fashion ltd (200 (prev Yr 200) Equity shares Fully paid of ₹4 Each)	200	0.57	200	0.28
The Anup engg ltd (37 (prev Yr 37) Equity shares Fully paid of ₹10 Each)	37	0.29	37	0.21
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of ₹2 Each)	2,500	2.52	2,500	2.25
Global Offshore Services Ltd. (8400 (Prev.Yr. 8400) Equity shares Fully paid of ₹10 Each)	8,400	3.78	8,400	0.54
Gujarat State Fertilizers & Chemicals Ltd. (895 (Prev.Yr. 895) Equity shares Fully paid of ₹2 Each)	895	1.45	895	0.73
HLV Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹2 Each)	1,000	0.09	1,000	0.06
J S W Energy Ltd. (0 (Prev.Yr. 1250) Equity shares Fully paid of ₹10 Each)	-	-	1,250	1.10
Kiri Industries Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of ₹10 Each)	500	2.45	500	2.08
Mafatlal Industries Ltd. (346 (Prev.Yr. 346) Equity shares Fully paid of ₹10 Each)	346	0.60	346	0.30
Navin Flourine International Ltd. (0 (Prev.Yr. 1730) Equity shares Fully paid of ₹2 Each)	-	-	1,730	47.66
NOCIL Ltd. (15,000 (Prev.20,000) Equity shares Fully paid of ₹10 Each)	15,000	37.34	20,000	34.55
Novartis India Ltd. (0 (Prev.Yr. 500) Equity shares Fully paid of ₹5 Each)	-	-	500	2.76

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

	As at			
	March 31, 2022		March 31, 2021	
	Units	Amount	Units	Amount
Pricol Ltd. (3000 (Prev.Yr. 3000) Equity shares Fully paid of ₹1 Each)	3,000	3.90	3,000	2.10
Petronet LNG Ltd.(0 (Prev.Yr. 6000) Equity shares Fully paid of ₹10 Each)	-	-	6,000	13.48
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of ₹5 Each)	9,900	1.19	9,900	1.95
Bank of Baroda Ltd.(402 (prev Yr 402)Equity shares fully Paid ₹2/- Each)	402	0.45	402	0.30
		56.00		111.10

(₹ in Lakh)

	March 31, 2022	March 31, 2021
6 Other Non Current Assets		
(Unsecured and considered good)		
Capital Advances-Related (Refer note 40)	204.75	204.75
Capital Advances-Others	32.94	12.96
Deposits with Government Authorities and Others (Refer note 46,47 & 50)	153.48	137.23
Loans and advances to related parties		
- Subsidiaries (Refer Note 40)	25.52	-
Total	416.69	354.94

Deposits with Government Authorities and Others ₹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.

	March 31, 2022	March 31, 2021
7 Inventories		
(At cost or net realisable value whichever is lower)		
(a) Raw materials & Others	762.42	785.30
(b) Finished goods	2,291.34	997.03
Total	3,053.76	1,782.33

	March 31, 2022	March 31, 2021
8 Trade receivables (Unsecured)		
Trade receivables-Considered Good	4,213.29	3,505.53
Total	4,213.29	3,505.53

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

Notes:		
Of the above, trade receivables from related parties are as below	127.90	37.44
Expected credit loss	-	-
Net trade receivables from related parties	127.90	37.44

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

Trade Receivable ageing schedule from the due date of payments :

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Considered good	3,200.00	798.20	15.31	88.44	3.16	108.19	4,213.29
(ii) Undisputed dues - which has significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed dues - credit impaired	-	-	-	-	-	-	-
(iv) Disputed dues - Considered good	-	-	-	-	-	-	-
(v) Disputed dues - which has significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed dues - credit impaired	-	-	-	-	-	-	-
	3,200.00	798.20	15.31	88.44	3.16	108.19	4,213.29

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - Considered good	3,003.90	201.35	143.33	48.59	-	108.36	3,505.53
(ii) Undisputed dues - which has significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed dues - credit impaired	-	-	-	-	-	-	-
(iv) Disputed dues - Considered good	-	-	-	-	-	-	-
(v) Disputed dues - which has significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed dues - credit impaired	-	-	-	-	-	-	-
	3,003.90	201.35	143.33	48.59	-	108.36	3,505.53

	March 31, 2022	March 31, 2021
9 Cash and Cash equivalents:		
Balances with Scheduled Bank:		
In Current Account	156.46	387.14
In EEFC Account	8.47	92.61
Cash in Hand	5.01	8.21
Total	169.93	487.96

	March 31, 2022	March 31, 2021
10 Other bank balances		
Earmarked Balance		
Unpaid Dividend Account	12.10	6.86
In Fixed deposit	94.09	113.54
Total	106.19	120.40

	March 31, 2022	March 31, 2021
11 Other Financial assets		
Deposit to Related parties (refer Note no 40)	51.49	46.68
Financial Asset liability on account of derivatives	21.71	0.53
Total	73.20	47.21

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

	March 31, 2022	March 31, 2021
12 Other current assets:		
(Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 40)	83.08	194.11
Loans and advances to Employees	-	3.18
Prepaid Expenses	53.36	40.52
Balance with Government Authorities		-
GST	500.50	580.14
MVAT Refund	20.45	20.45
Service Tax	2.90	2.90
Advances recoverable in cash or kind or for value to be received		-
Export Incentive	137.47	199.58
Advance to Suppliers	37.67	158.84
Claim Receivable (Refer note 48)	-	67.54
Others/Income tax	67.07	44.67
Total	902.49	1,311.91

13 Equity Share capital:

(₹ in Lakh)

a) Equity Share capital

(Except no. of shares)

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised Share Capital:				
Equity shares of ₹10 each	1,35,00,000	1,350	1,05,00,000	1,050
(During the year, the Company has increased its Authorised Share Capital from ₹10,50,00,000/- divided into 1,05,00,000 Equity Shares of ₹10/-each to ₹13,50,00,000/- divided into 1,35,00,000 Equity Shares of ₹10/- each.)				
Issued, Subscribed and Fully Paid-up Shares:				
Equity shares of ₹10 each fully paid up	1,02,49,500	1,025	95,49,500	955

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

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Outstanding at beginning of the year	95,49,500	955	77,24,500	772
Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 51)	-	-	18,25,000	183
Equity Shares Allotted upon conversion of even number of warrants issued on preferential basis.**	7,00,000	70	-	-
Balance as at End of Year	1,02,49,500	1,025	95,49,500	955

** Issued equity shares at a premium of ₹101 per share on conversion of even no warrants issued on preferential basis to the promoter / promoter group.

c) Terms / rights attached to equity shares

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

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

During the year ended March 31, 2022, the amount of per share dividend recognised as ₹0.90 (March 31, 2021 ₹0.80)

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

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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

Name of the shareholders	March 31, 2022		March 31, 2021		% change during the year
	No .of shares	% of Holding	No. of shares	%	
Vipul P. Shah-Promotor Group	22,46,100	21.91%	20,46,100	19.96%	1.95%
Mihir V. Shah-Promotor Group	17,02,600	16.61%	14,52,600	14.17%	2.44%
Vatsal V. Shah-Promotor Group	13,43,400	13.11%	12,43,400	12.13%	0.98%
Mita V. Shah-Promotor Group	6,12,500	5.98%	5,12,500	5.00%	0.98%
Jaya P. Shah-Promotor Group	4,86,500	4.75%	4,86,500	4.75%	0.00%
	63,91,100	62.36%	57,41,100	56.01%	

e) Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company 0.00%

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

The Board of Directors of the Company has approved the issue of 25,62,375 Bonus Equity Shares to its existing shareholders in ratio of 1:4 (i.e. 1 (One) new Bonus Equity Share of face value of ₹10/- each on existing 4 (Four) Equity Shares of face value of ₹10/- each in its meeting held on 28th February, 2022 and the same was approved by the Shareholders of the Company on 31st March, 2022 through Postal Ballot Process. Accordingly, 25,62,375 Bonus Equity Shares were issued and allotted on 11th April 2022.

(₹ in Lakh)

	March 31, 2022	March 31, 2021
14 Other Equity		
Reserves and surplus:		
Capital Reserve	62.78	62.78
Securities Premium	1,676.78	969.78
General Reserve	90.10	90.10
Retained Earnings	2,411.15	1,798.53
Other reserves-Accumulated other comprehensive income	(11.18)	(4.28)
Total	4,229.62	2,916.90
Reserves and surplus:		
14.1 Capital Reserve		
Balance at beginning of year	62.78	62.78
Balance at end of year	62.78	62.78
14.2 Securities Premium Account:		
Balance at beginning of year	969.78	969.78
Add /Less: Premium on Issue Of Equity Shares	707.00	-
Balance at end of year	1,676.78	969.78
During the year, 7,00,000 Equity Shares of ₹10/- were issued to the promoter / promoter group upon conversion of even number of warrants issued on preferential basis at a premium of ₹101 per share.		
14.3 General Reserve		
Balance at beginning of year	90.10	90.10
Balance at end of year	90.10	90.10

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
14.4 Retained Earnings		
Balance at beginning of year	1,798.53	1,188.71
Add: Profit after Tax for the year	698.56	685.53
Less: Appropriations:		
Opening Balance impact of IND AS 116	-	0.68
Dividend - Final	(85.95)	(76.40)
Balance at end of year	2,411.15	1,798.53
Proposed dividend on equity shares not recognised		
Final dividend for the year ended ₹0.9 per share (PY ₹0.9 per share)	92.25	76.40
14.5 Other reserves-Accumulated other comprehensive income		
Balance at beginning of year	(4.28)	(5.08)
Other comprehensive income	(6.90)	0.80
Balance at end of year	(11.18)	(4.28)
15 Advance Subscription against share warrants		
Preferential Share Warrant		
Nil (Previous year 7,00,000) Preferential Share warrant paid up ₹10 each	-	194.25
	-	194.25

During the previous year, 7,00,000 Equity Shares of ₹10/- were issued to the promoter / promoter group upon conversion of even number of warrants issued on preferential basis at a premium of ₹101 per share.

The Company had allotted in previous year 7,00,000 Warrants, carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹111/- per Warrant including premium of ₹101/- per share, aggregating to ₹7,77,00,000/- upon receipt of 25% of the issue price were allotted to the promoter and promoter group on a preferential basis on 23rd February, 2021.

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
16 Long term borrowings:		
(a) Secured Loans		
Term Loan from Bank		
Loan from Bank Against Vehicles	4.85	18.01
Loan from Bank Against Proposed Plant & Machinery / Factory Building Tarapore	604	899
(refer note 20 -Current Maturity of long term Loan) Sub Total (a)	609	917
Term Loan from Others		
Loan from Others Against Vehicles	40	-
(refer note 20 -Current Maturity of long term Loan) Sub Total (b)	40	-
(b) Unsecured Loans		
Loan from Director/relative of Directors**	1	1
Sub Total (c)	1	1
Total (A) + (B) +(C)	649	918

** (Loan from Director/relative of Directors are pertaining to erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement refer note no 51)

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

Term Loans from Banks-Against Vehicles

₹4.86 (In Lakhs) (Previous Year ₹18.01 (in Lakhs) 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 Tarapore

₹551.66(in Lakhs) (Previous Year ₹686.75 (in Lakhs) secured by hypothecation of movable fixed assets and Factory Building at Tarapore wherein in Term loan for ₹90000('000) principal payable in equal monthly installment of ₹11.70 (in Lakhs) over period of 78 months after initial moratorium period of 6 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 9.85 % & 9.60% . 6.65% on Foreign Currency Term Loan (6 months Libor + 4.14 %). Second Charge on Current assets by way of 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.

₹292.78(in Lakhs) (Previous Year ₹340 (in Lakhs) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit gurantee by NCGTC principal payable in equal monthly installment of ₹9.44 (in Lakhs) 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%.

₹103.33(in Lakhs) (Previous Year ₹124(in Lakhs) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit gurantee by NCGTC principal payable in equal monthly installment of ₹3.44(in Lakhs) 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%.

Secured Term Loans from Others

₹59.04 (in Lakhs) (Previous Year Nil) secured by hypothecation of vehicles from Daimler Financials Services India Ltd. Equal monthly instalments over the period of 3 Years by 13th March 2025 and carry interest rate of 6.83 % p.a.

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
17 Lease Liabilities		
Lease Liabilities (refer note 4B)	83.50	101.12
Total	83.50	101.12
18 Non Current Provision		
Provision for Gratuity	1.77	1.77
Total	1.77	1.77
19 Deferred Tax Liabilities		
Major components of deferred tax are:		
Related to Property ,Plant & Equipment	52.30	63.60
Others	(6.24)	(5.78)
Net Deferred Tax Liability	46.07	57.82
20 Short-term borrowings:		
Loans repayable on demand		
From banks		
Secured	1,903.67	1,521.85
Current Maturity of long term Loan		
From Bank & Others	370.25	253.68
From other parties		
Unsecured	-	-
Total	2,273.92	1,775.53

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

From Bank of Baroda

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

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

From Axis Bank

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

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

(₹ in Lakh)

	March 31, 2022	March 31, 2021
21 Trade payables		
Total Outstanding Dues -Micro and small enterprises	155.20	186.21
Total Outstanding Dues -Other than micro & small enterprises **	3,750.56	3,126.33
Total	3,905.76	3,312.54

21.a 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	155	186.21
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.	1.24	2.45
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.	1.24	2.45

21.b Trade Payables ageing schedule from the due date of payments :

Particulars	As at March 31, 2022					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	121.46	14.67	10.05	9.01	-	155.20
(ii) Others	2285.96	195.90	137.91	1,130.40	0.39	3,750.56
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,407.43	210.57	147.96	1,139.42	0.39	3,905.76

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

Particulars	As at March 31, 2021					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	111.80	42.85	31.56	-	-	186.21
(ii) Others	1557.50	288.63	1,275.69	-	4.50	3,126.33
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,669.30	331.48	1,307.25	-	4.50	3,312.54

(₹ in Lakh)

	March 31, 2022	March 31, 2021
22 Other Financial Liabilities:		
Creditors for Fixed Assets & Provision for Expenses	207.02	182.05
Unclaimed Dividend	12.10	13.07
Lease Liabilities (refer note 4B)	17.62	12.95
Deposit from Dealers	23.50	0.50
Total	260.25	208.57

	March 31, 2022	March 31, 2021
23 Other current liabilities:		
Advance from Customers	20.31	64.35
Subsidy -Deferred Revenue Income (refer note 53)	16.32	-
Duties & taxes	14.73	20.20
Total	51.37	84.55

	March 31, 2022	March 31, 2021
24 Short-term provisions:		
Provision for Tax	192.85	202.33
Total	192.85	202.33

(₹ in Lakh)

	March 31, 2022	March 31, 2021
25 Revenue from operations		
Export sales	9,824.29	9,574.05
Local sales	3,311.48	2,150.72
Export incentives (Dyestuff, Organic Pigments and Intermediates)	183.92	228.53
Total	13,319.69	11,953.31

	March 31, 2022	March 31, 2021
26 Other income:		
Interest on Deposit with Banks & Others	5.97	6.86
Interest on Security Deposit-IND AS	4.81	0.73
Dividend on Investments	0.84	1.04
Fair Value Gain/(Loss) on Financial Assets	(46.81)	55.61
Exchange Gain/Loss	129.54	(42.53)
Gain/(Loss) on sale of Investment	95.66	-
Subsidy Deferred Revenue Income (Refer Note 53)	6.29	-
Total	196.29	21.70

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
27 a) Cost of materials consumed (Chemicals & Others)		
Opening Stock	769.12	462.86
Add: Purchases	5,784.64	3,494.34
Less: Closing Stock	737.56	769.12
Total	5,816.19	3,188.08
b) Purchases of Stock-in-Trade		
Dyestuff , Organic Pigments and Intermediates	4,066.29	4,320.05
Total	4,066.29	4,320.05
28 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Dyestuff , Organic Pigments and Intermediates	2,291.34	997.03
Sub-total (A)	2,291.34	997.03
Inventories at the beginning of the year		
Dyestuff , Organic Pigments and Intermediates	997.03	1,151.78
Sub-Total (B)	997.03	1,151.78
(A) -(B)	(1,294.31)	154.75
29 Employee benefits expense:		
Salaries, Wages, Bonus and Gratuity	642.95	513.27
Contribution to Provident Fund and Other Funds	30.06	32.30
Total	673.01	545.57
30 Finance costs:		
Bank Interest	145.76	116.98
Bank Charges-Processing Fees	0.91	14.35
Interest on Lease	17.42	3.09
Other Interest	-	1.22
Total	164.10	135.64
31 Depreciation & Amortisation		
Depreciation Expenses(Refer note no 4)	498.90	577.09
Amortisation of Lease Refer note no 4B	23.39	3.78
Total	522.29	580.87
32 Other Expenses		
Power and Fuel	739.53	541.17
Factory Rent	13.16	5.00
Factory Expenses	102.35	56.58
Labour & Transport	466.25	418.20
Repairs & Maintenance	217.74	113.74
Packing Material	168.86	144.48
Export Clearing ,Freight & Forwarding	226.23	362.41

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Professional & Legal Charges(Refer note no 36)	169.19	107.22
Travelling Expenses	57.84	23.20
Insurance Charges	40.23	47.15
Rent ,Rates & Electricity	55.04	53.41
Donation /Corporate Social Responsibility Expense (Refer note no 49)	17.31	16.06
Commission	105.57	86.44
Loss on sales of assets/Capital Asset Write off	6.21	-
Miscellaneous/ Office Expenses	177.40	110.38
Business Promotion	29.63	8.59
Total	2,592.55	2,094.02

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	975.86	956.02
Weighted average enacted tax rates in India	27.82%	27.82%
Computed tax expense	271.48	265.97
Tax effect of:		
Deduction under Chapter VI A	1.93	1.79
Exemption / profit link incentives	(2.89)	(1.67)
Other exempt income/Others	(0.37)	(0.29)
Previous year tax / Others-Interest	15.51	20.17
Tax Effect -Income taxed at Special Tax Rate	(21.38)	-
Fair Value Gain on Financial Assets	13.02	(15.47)
Actual Tax Expense	277.30	270.49
Current Tax	286.39	273.63
Deferred tax	(9.10)	(3.14)
Tax expense reported in the statement of profit and loss	277.29	270.49

34 Earnings per share:

The Numerators and denominators used to calculate Earnings per Share:

Nominal Value of Equity Share (₹)	₹	10/-	10/-
Net Profit available for equity shareholders(₹In lacs) = (A)	₹	691.66	686.34
Weighted Average number of shares outstanding during the year - (B)	Nos.	1,21,16,897.26	1,13,74,375.00
Basic and Diluted Earnings Per Share (₹) - (A) / (B)	₹	5.71	6.03

Reconciliation of weighted average number of equity shares:

Particulars	March 31, 2022	March 31, 2021
Equity shares outstanding at the beginning of the year	95,49,500	77,24,500
Equity shares issued during the year	7,00,000	18,25,000
Equity shares outstanding at the end of the year	1,02,49,500	95,49,500
Weighted average number of shares Outstanding	96,93,518	90,99,500
Weighted Average number of Bonus Shares Issued**	24,23,379	22,74,875
Total weighted average number of shares	1,21,16,897	1,13,74,375

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

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

** The Board of Directors of the Company has approved the issue of 25,62,375 Bonus Equity Shares to its existing shareholders in ratio of 1:4 (i.e. 1 (One) new Bonus Equity Share of face value of ₹10/- each on existing 4 (Four) Equity Shares of face value of ₹10/- each in its meeting held on 28th February, 2022 and the same was approved by the Shareholders of the Company on 31st March, 2022 through Postal Ballot Process. Accordingly, 25,62,375 Bonus Equity Shares were issued and allotted on 11th April 2022 and Earning per share has been adjusted against for the current and previous periods and presented in accordance with IND AS 33, Earning per share.

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
35 Contingent liabilities and Commitments:		
(i) Contingent Liabilities		
(a) Income tax matters not acknowledged as debt	220.85	220.85
(b) Dues Raised by M.S.E.B which is protested by Company.	2.50	2.50
(c.) Sales Tax demands disputed by the Company relating to forms etc.	1.05	1.05
(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	224.40	224.40
(ii) Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	0	10.00
	0	10.00
36 Payments to Auditors for the year		
Auditors' Remuneration & Expenses		
(a) As Auditors	5.00	4.70
(b) Certification and Other matters	1.39	1.40
Total	6.39	6.09

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.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

38 Analytical Ratio

Ratio	March 31, 2022	March 31, 2021	% Variation	Reason for variation
Current Ratio	1.27	1.30	-2%	Refer note 1
Debt-Equity Ratio	0.56	0.70	-20%	Refer note 1
Debt Service Coverage Ratio	3.77	3.60	5%	Refer note 1
Return on Equity Ratio	21.39%	26.81%	-20%	Refer note 1
Inventory turnover ratio	4.09	4.41	-7%	Refer note 1
Trade Receivables turnover ratio	3.45	3.98	-13%	Refer note 1
Trade payables turnover ratio	2.73	2.26	21%	Refer note 1
Net capital turnover ratio	7.26	7.15	2%	Refer note 1
Net profit ratio	5.24%	5.74%	-9%	Refer note 1
Return on Capital employed	13.86%	16.48%	-16%	Refer note 1
Return on investment	8.32%	9.40%	-11%	Refer note 1

Reason for variation

1. Not applicable as the variation is < 25%

Numerators and Denominators considered for the aforesaid ratios:

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt-Equity Ratio	Total Debt	Shareholder's Equity
Debt Service Coverage Ratio	Earnings available for debt service *	Debt Service **
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity
Inventory turnover ratio	Cost of goods sold	Average Inventory
Trade Receivables turnover ratio	Net Sales	Avg. Accounts Receivable
Trade payables turnover ratio	Net Purchases	Average Trade Payables
Net capital turnover ratio	Net Sales	Working Capital
Net profit ratio	Net Profit	Net Sales
Return on Capital employed	Earning before interest and taxes	Capital Employed ***\$
Return on investment	Earning before interest and taxes	Avg. Total Assets

* Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc

** Debt service = Interest & Lease Payments + Principal Repayments

*** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

\$ Borrowings does not includes Lease liabilities

39 Derivative Instruments and Unhedge Foreign Currency exposure

Derivative Outstanding as at the Reporting date

	As on March 31, 2022		As on March 31, 2021	
	Amount in base currency USD (in Lakhs)	Amount in INR (in Lakhs)	Amount in base currency USD (in Lakhs)	Amount in INR (in Lakhs)
Forward contract to sell USD	20.00	1,518.20	6.00	434.40
Above derivative instrument have been acquired for hedging purpose				
Particulars of Unhedged Foreign Currency Exposures as at the Reporting date				

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

		As on March 31, 2022		As on March 31, 2021	
		Amount in base currency	Amount in INR (in Lakhs)	Amount in base currency	Amount in INR (in Lakhs)
Trade receivable	USD (in Lakhs)	40.67	3,087.48	31.86	2,306.53
	EURO (in Lakhs)	-	-	1.18	100.83
Trade payables & borrowings	USD (in Lakhs)	5.42	411.42	9.56	691.92

40 Related Party Disclosures

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

I List of Related Parties

- a) Subsidiary Company
Shree Ambika Naturals Pvt. Ltd.
- b) Key Management Personal (KMP)
Mr V. P. Shah
Mr Mihir V Shah
Dr. S. N. Sahai
Mr Jagdeep Mehta
Ms Megha Satyendra Bhatti
Mr Prasannakumar Gawde
- c) Relatives of KMP
Late Ms. Jaya P. Shah
V. P. Shah HUF
Ms Mita V Shah
Mr Niloni M Shah
Mr Vatsal V Shah
Ms Kavita 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
VIP Chem LLP.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2022

(₹ in Lakh)

Nature of transaction	Year	Subsidiary	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2021-2022	-	-	4.80	555.74
	2020-2021	20,845	-	480	20,781
Sale/Services/Interest	2021-2022	-	2.16	-	218.90
	2020-2021	9,833	-	-	5,790
Share/Warrant Subscription received	2021-2022	-	374.63	20,812.50	-
	2020-2021	-	12,488	6,938	-
Mangerial Remuneration / Salary/Sitting Fees	2021-2022	-	158.47	13.89	-
	2020-2021	-	12,101	966	-
Balance Receivable/(Payable)	31/03/22	25.52	201.98	6.38	384.37
	31/03/21	1,589	(467)	21,123	38,962

41 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.

A

(₹ in Lakh)

As at March 31, 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	224.06	112.96	111.10	-	-
Trade Receivables	3,505.53	3,505.53	-	-	-
Cash and cash equivalents	487.96	487.96	-	-	-
Other bank balances	120.40	120.40	-	-	-
Other Financial Assets	47.21	47.21	-	-	-
Total	4,385.16	4,274.06	111.10	-	-
Financial liabilities					
Other non-current financial liability	918.41	918.41	-	-	-
Trade and other payables	3,312.54	3,312.54	-	-	-
Other current financial liabilities	1,984.10	1,984.10	-	-	-
Total	6,215.05	6,215.05	-	-	-

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

B

(₹ in Lakh)

As at March 31, 2022	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	168.96	112.97	56.00	-	-
Trade Receivables	4,213.29	4,213.29	-	-	-
Cash and cash equivalents	169.93	169.93	-	-	-
Other bank balances	106.19	106.19	-	-	-
Other Financial Assets	73.20	73.20	-	-	-
Total	4,731.57	4,675.58	56.00	-	-
Financial liabilities					
Other non-current financial liability	649.19	649.19	-	-	-
Trade and other payables	3,905.76	3,905.76	-	-	-
Other current financial liabilities	2,534.16	2,534.16	-	-	-
Total	7,089.11	7,089.11	-	-	-

During the reporting period ending 31 March 2022 and 31 March 2021, 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.

42 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.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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:

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Considered Good		
0-12 Months	4,013.51	3,387.17
More Than 1 year	199.79	156.95
Carrying Amount of receivable	4,213.29	3,544.12

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.

(₹ in Lakh)

Financial Liabilities	As at 31 st March, 2021		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	918.41	918.41
Trade and other payables	3,312.54	-	3,312.54
Other current financial liabilities	1,984.10	-	1,984.10
Total Financial Liabilities	5,296.64	918.41	6,215.05

(₹ in Lakh)

Financial Liabilities	As at 31 st March, 2022		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	649	649
Trade and other payables	3,906	-	3,906
Other current financial liabilities	2,534	-	2,534
Total Financial Liabilities	6,440	649	7,089

iii) Market risk

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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

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

a) Foreign currency risk

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

(₹ in Lakh)			
Foreign currency exposure	Currency	March 31, 2022	March 31, 2021
Trade receivables & Advance	USD in 'Lakhs	40.67	37.86
Cash and cash equivalents	USD in 'Lakhs		
Net exposure to foreign currency risk (assets)		40.67	37.86
Trade payables	USD in 'Lakhs	5.42	4.54
Current Borrowings	USD in 'Lakhs	5.00	1.41
Other financial liabilities	USD in 'Lakhs	-	-
Net exposure to foreign currency risk (liabilities)	USD in 'Lakhs	10.42	5.95
Rupee Conversion Rate		75.91	72.40

Foreign currency sensitivity

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

(₹ in Lakh)				
Foreign currency	March 31, 2022		March 31, 2021	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	114.83	(114.83)	115.52	(115.52)
Increase / (decrease) in profit and loss	114.83	(114.83)	115.52	(115.52)

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, 2022

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:

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Current Borrowings		
Variable rate borrowings	2,273.92	1,775.53
	2,273.92	1,775.53

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.

(₹ in Lakh)

	March 31, 2022		March 31, 2021	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(11.37)	11.37	(8.88)	8.88
Increase / (decrease) in profit and loss	(11.37)	11.37	(8.88)	8.88

43 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.

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Borrowings (long-term and short-term borrowings including current maturities)	2,923.10	2,693.94
Cash & Cash Equivalent including Other current financial asset	349.32	655.57
Adjusted net debt	2,573.79	2,038.37
Total Equity	5,254.57	4,066.10
Adjusted net debt to equity ratio	0.49	0.50

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

Indian Subsidiary	Percentage of ownership Interest as on	
	March 31, 2022	March 31, 2021
Shri Ambika Naturals Private Ltd	56.04%	56.04%

45 The Board of Directors of the Company has recommended a final dividend of ₹0.90 per equity share for the year ended March 31, 2022 (Previous Year ₹0.90 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.

46 The Company has deposits of ₹74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filed an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

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.

47 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.

48 Claim Receivable

Claim Receivable includes claim of ₹54.01 lakhs lodged with the Insurance Company on account of damage due to flooding at Ambernath factory which was under process at the previous year end which has been reliaised during the the current year.

(₹ in Lakh)

49 Corporate Social Responsibility Expense	March 31, 2022	March 31, 2021
Amount required to be spent during the year		
Corporate Social Responsibility Expense	14.13	10.24
Amount spent during the year (paid in cash)		
i) Acquisition /construction of any asset	-	-
ii) Purpose other than above (i)	14.51	16.06
Amount spent during the year (yet to be paid in cash)		
i) Acquisition /construction of any asset	-	-
ii) Purpose other than above (i)	-	-
	14.51	16.06

50 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 manximizing digital modes of communication.The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other Current Assets. The Company has performed sensitivity analysis on these current estimates and expects that the carrying amount of these assets will be recovered.However,the actual impact of COVID-19 on these financial statements may differ from the estimates and the company will continue to closely monitor any material changes to future econmic conditions.

51 Business Combination :The scheme of Arrangement for the merger of Efferchem Private Limited (ECPL) with the Vipul Organics Limited (the scheme) was 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 April 1, 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 ₹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 ₹9,54,95,000/- divided into 95,49,500 equity shares of ₹10/ - each fully paid up. Earnings per share 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 periods.ECPL is in the same business of manufacturing of Pigments , Naphthols and Fast Salts.

52 Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

Notes to the Standalone Financial Statements for the financial year ended 31st March, 2022

- (iii) The Company has not come across any transaction occurred with struck-off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
 - (iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
 - (v) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of the Companies beyond the statutory period.
 - (vi) Utilization of borrowed funds and share premium :
 - (I) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (II) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (vii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
 - (viii) The company has not granted any loans or advances in the nature of loans either repayable on demand.
- 53** The Company has received Credit Linked Capital Subsidy Scheme amounting to ₹22.62 lakhs against capital investment made in Plant & Machinery for the year 2019-2020 . Government grants relating to the purchase of 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.
- 54** Previous year figures are regrouped / re classified wherever necessary to correspond with current year classification / disclosure.

The figures have been rounded off to the nearest lakhs of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹50,000/-.

See accompanying notes to the financial statements
In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

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

Vipul P. Shah

Managing Director

DIN: 00181636

Mihir V. Shah

Whole Time Director & CFO

DIN: 05126125

Shiv Nath Sahai

Director

DIN: 00332652

Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

Independent Auditor's Report

To the Members of Vipul Organics Limited

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the accompanying Consolidated financial statements of Vipul Organics Limited ("the Holding Company") and its subsidiary, (Holding Company and its subsidiary together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated financial statements in accordance with the Standards on Auditing ("SAs") 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 independence 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 ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to be communicated in our report.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual report but does not include the standalone and consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 compare with the consolidated financial statements of the subsidiary company audited by the other Auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other Auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of our audit, or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their Financial Statements audited by other Auditor.

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 on the even date.

Management's Responsibility for the Consolidated financial statements

The Holding Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance, total comprehensive income, changes in equity and cash flows of

the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each entity 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. which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities 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 control 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 entity has adequate internal financial controls system, in relation to the 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 entities 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the consolidated financial statements of which we are the Independent Auditors. For the other entity included in the consolidated financial statements, which have been audited by other Auditor, such other Auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial

statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with the Management of holding company and other entities included in consolidated financial statement of which we are the independent auditors 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 Matters

We did not audit the financial statements of a subsidiary Shree Ambika Naturals Private Limited included in the consolidated financial statement whose financial statement reflects total assets of ₹106.79 lakhs as at 31st March, 2022, total revenue of ₹0.26 lakhs, total net loss after tax of ₹1.73 lakhs and net cash outflows of ₹0.007 lakhs 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, based on our audit 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2022 taken on record by the Board of Directors of the holding company and the report of the statutory auditors of the subsidiary company, none of the directors of the Group is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations, which will have an impact on its consolidated financial position in its financial statements-refer note 35 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were 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.

iv. a) The respective Management of the Holding company and subsidiary have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or any subsidiary or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Management of the Holding company and subsidiary has represented that, to the best of its knowledge and belief, no funds have been received by the Company or subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiary shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis- statement.

v. The dividend declared and paid during the current year and previous year by the Holding Company is in compliance with section 123 of the Act.

The Holding Company has paid/provided for managerial remuneration paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated Financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

R. A. Kuvadia
Proprietor

Place: Mumbai
Date: 30th May,2022

Membership No. 040087
UDIN 22040087AJXRWB7344

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial statements of Vipul Organics Limited (“the Holding Company”) and its subsidiary as of 31st March, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial statements criteria established by the Holding Company and subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial statements 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 statements of the Holding Company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial statements (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, 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 statements 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 statements and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial statements of the Holding Company and its subsidiary.

Meaning of Internal Financial Controls Over Financial statements

A company’s internal financial controls with reference to consolidated financial statements is a process designed to

provide reasonable assurance regarding the reliability of financial statements and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over consolidated financial statements 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 statements

Because of the inherent limitations of internal financial controls over 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 over consolidated financial statements to future periods are subject to the risk that the internal financial control over financial statements 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 and according to the explanation given to us and based on the consideration of the report of other auditor referred to in the Other matters paragraph, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial statements and such internal financial controls over financial statements were operating effectively as at 31st March, 2022, based the internal control over financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting statements 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.

Our opinion is not modified in respect of the above matters.

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

R. A. Kuvadia
Proprietor

Place: Mumbai
Date: 30th May, 2022

Membership No. 040087
UDIN 22040087AJXRWB7344

Consolidated Balance Sheet as at 31st March, 2022

(₹ in Lakh)

Particulars	Note No.	March 31, 2022	March 31, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	3,514.92	2,735.81
Right of use assets	4	89.76	113.15
Intangible Assets	4	8.89	11.99
Capital work-in-progress	4	3.37	35.84
Other Investment-Financial Asset	5	56.41	111.51
Other non-current assets	6	391.75	355.51
		4,065.11	3,363.81
Current Assets			
Inventories	7	3,079.86	1,808.43
Financial assets			
Trade receivables	8	4,261.11	3,537.47
Cash and Cash equivalents	9	181.87	499.89
Other bank balances	10	106.19	120.40
Other Financial assets	11	73.20	47.21
Other current assets	12	908.26	1,317.48
		8,610.48	7,330.89
TOTAL		12,675.59	10,694.71
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	1,024.95	954.95
Other Equity	14	4,206.83	2,895.08
Advance Subscription against share warrants	15	-	194.25
Equity attributable to owners of the company		5,231.78	4,044.28
Non Controlling Interest		(14.53)	(13.77)
Financial Liabilities			
Borrowings	16	649.19	918.41
Lease Liabilities	17	83.50	101.12
Non Current provisions	18	1.77	1.77
Deferred tax liabilities (Net)	19	34.79	46.54
		769.24	1,067.85
Current Liabilities			
Financial Liabilities			
Borrowings	20	2,273.92	1,775.53
Trade payables	21		
Total Outstanding Dues -Micro and small enterprises		155.20	186.21
Total Outstanding Dues -Others		3,755.46	3,137.70
Other Financial liabilities	22	260.31	209.85
Other current liabilities	23	51.37	84.73
Short-term provisions	24	192.85	202.33
		6,689.10	5,596.35
TOTAL		12,675.59	10,694.71

See accompanying notes to the financial statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

For and on behalf of the Board of Directors

of **Vipul Organics Limited**

Vipul P. Shah

Managing Director

DIN: 00181636

Mihir V. Shah

Whole Time Director & CFO

DIN: 05126125

Shiv Nath Sahai

Director

DIN: 00332652

Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

Consolidated Statement of Profit & Loss for the financial year ended 31st March, 2022 (₹ in Lakh)

Particulars	Note No.	March 31, 2022	March 31, 2021
I. Revenue from operations	25	13,319.69	11,869.98
II. Other income	26	196.29	22.76
III. Total Income (I + II)		13,515.98	11,892.75
IV. Expenses:			
Cost of materials consumed	27	5,816.19	3,071.53
Purchases of Stock-in-Trade	27	4,066.29	4,320.05
Changes in Inventories of Stock-in-Trade	28	(1,294.31)	153.58
Employee benefits expense	29	673.01	562.14
Finance costs	30	164.10	135.64
Depreciation & Amortisation	31	522.45	582.64
Other Expenses	32	2,594.12	2,111.41
Total expenses		12,541.85	10,936.99
V. Profit before tax (III-IV)		974.13	955.76
VI. Tax expense:			
(1) Current tax	33	286.39	273.65
(2) Deferred tax		(9.10)	(3.14)
Total Tax expense		277.29	270.51
VII. Profit for the year (V-VI)		696.83	685.25
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligations		(9.56)	1.11
Income tax relating to above items that will not be reclassified to profit or loss		2.66	(0.31)
Other comprehensive income/(loss) net of tax		(6.90)	0.80
IX. Total comprehensive income net of tax (VII+VIII)		689.93	686.05
Attributable to:			
Owners of the Company		690.69	686.18
Non Controlling Interest		(0.76)	(0.13)
X. Earnings per equity share:	34		
(1) Basic		5.70	6.03
(2) Diluted		5.70	6.03

See accompanying notes to the financial statements
In terms of our report attached.

For **R. A. Kuvadia & Co.**
Chartered Accountants
Firm Registration No. 105487W
R. A. Kuvadia
Proprietor
Membership No. 040087

Mumbai
Dated :30th May,2022

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

Vipul P. Shah
Managing Director
DIN: 00181636
Mihir V. Shah
Whole Time Director & CFO
DIN: 05126125

Shiv Nath Sahai
Director
DIN: 00332652
Krina Sanghvi
Company Secretary & Compliance Officer
Membership No.: A47242

Consolidated Cash Flow Statement for the financial year ended 31st March, 2022

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Prior Period Items	974.13	955.76
Adjustment for		
Depreciation and amortisation expense	522.45	582.64
Other Comprehensive Income	(6.90)	0.80
Interest Income	(10.77)	6.12
Dividend Income	(0.84)	(1.04)
Fair Value Gain on Financial Assets	46.81	(55.61)
Finance Cost	164.10	135.64
(Gain) / Loss on sale of Investment	(95.66)	-
(Gain) / Loss on sale of Capital Asset	6.21	-
Subsidy Deferred Revenue Income	(6.29)	-
Operating Profit before Working Capital Changes	1,593.23	1,624.31
Adjustment for:		
Decrease/ (Increase) in Inventories	(1,271.42)	(146.29)
Decrease/ (Increase) in Trade Receivable	(723.64)	(1,027.21)
Decrease/ (Increase) in current asset/Other Financial Asset	397.45	(152.10)
Decrease/ (Increase) in non current Assets	(36.23)	12.93
Increase/(Decrease) in Trade Payables	586.74	(310.19)
Increase/ (Decrease) in other financial/Other Liabilities	(2.43)	(53.80)
Cash Generated from operations	543.69	(52.35)
Taxes Paid (Including TDS) (net)	(297.69)	(154.84)
Net Cash used in Operation	246.00	(207.20)
B Cash Flow from Investing Activities		
Purchase of Tangible and Intangible Assets	(1,349.75)	(148.55)
Proceeds from sale of Fixed Assets	107.15	-
Proceeds from sale of Investment	103.79	-
Proceeds from Subsidy for Fixed Asset	22.62	-
Interest Income	9.93	(7.16)
Net Cash from Investing Activities	(1,106.26)	(155.71)
C Cash Flow from Financing Activities		
Proceeds from Equity/ Warrant issue	582.75	194.25
Increase/ (Decrease) in Long term borrowing	(286.85)	192.59
Increase/ (Decrease) in Short term borrowing	498.39	265.14
Finance cost Paid	(164.10)	(135.64)
Dividend Paid	(87.97)	(79.36)
Net Cash from Financing Activities	542.22	436.98
Net Increase in Cash & Cash Equivalents	(318.03)	74.06
Opening Balance of Cash & Cash Equivalents	499.90	425.82
Closing Balance of Cash & Cash Equivalent	181.86	499.90

See accompanying notes to the financial statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

For and on behalf of the Board of Directors

of **Vipul Organics Limited**

Vipul P. Shah

Managing Director

DIN: 00181636

Mihir V. Shah

Whole Time Director & CFO

DIN: 05126125

Shiv Nath Sahai

Director

DIN: 00332652

Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

Consolidated Statement of Changes in Equity for the financial year ended 31st March, 2022

(₹ in Lakh)

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

(except no. of shares)

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the reporting period	95,49,500	954.95	77,24,500	772.45
Changes in equity share capital during the year	7,00,000	70.00	18,25,000	182.50
Balance at the end of the reporting period	1,02,49,500	1,024.95	95,49,500	954.95

b. Other Equity

Particulars	Share Suspense Account	Reserves and Surplus				Other Comprehensive Income	Total
		Securities premium	Capital Reserve	General reserve	Retained Earnings		
Balance at 31 March 2020	182.50	969.78	62.78	90.10	1,166.57	(5.08)	2,466.64
Profit for the year	-	-	-	-	685.37	0.80	686.18
Addition / reduction during the year	-	-	-	-	(75.72)	-	(75.72)
Reduction -Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 51)	(182.50)	-	-	-	-	-	(182.50)
Balance at 31 March 2021	-	969.78	62.78	90.10	1,776.23	(4.28)	2,894.60
Profit for the year	-	-	-	-	697.59	-	697.59
Addition / reduction during the year	-	707.00	-	-	(85.95)	(6.90)	614.15
Balance at 31 March 2022	-	1,676.78	62.78	90.10	2,387.88	(11.18)	4,206.35

See accompanying notes to the financial statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

For and on behalf of the Board of Directors
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Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

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

The consolidated financial statements for the year ended March 31, 2022 were considered by the Board of Directors and approved for issuance on 30th May, 2022.

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 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. Basis for Consolidation & Principles for Consolidation

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

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

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

Excess of acquisition cost over the carrying amount of the Holding's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Consolidation reserve' and classified under 'Reserves and Surplus'.

As per Ind AS 110 - consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

The non-controlling interests comprise the portion of equity of subsidiaries that are not owned, directly or indirectly, by the Group. Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

1.5. Functional and presentation currency

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

2. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of consolidated financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected. In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

2.1 Revenue recognition

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

2.2 Employee Benefits

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

2.3 Litigation

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

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

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

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

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

3.2. Depreciation

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

3.3. Intangible assets

Intangible assets are recognized, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Computer software is amortized on written down value basis and manner prescribed in Schedule II to the Act.

3.4. Impairment of tangible and intangible assets

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

3.5. Financial instruments

Financial assets

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

Initial recognition and measurement

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

Classification and subsequent measurement

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

Financial assets amortised at cost

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

consisting payments of principal and interest on the principal amount outstanding.

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

Financial assets at fair value through profit or loss

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

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Further, Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition (April 1, 2016). Also, in accordance with Ind AS 27 company has elected the policy to account investments in subsidiaries at cost.

Derecognition:

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

Financial Liabilities

Initial Recognition and Measurement

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

Subsequent measurement

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

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

of the goods have been passed to the buyer. Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

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

3.8. Foreign currencies

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

3.9. Borrowing Cost

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

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

3.10. Leases

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019, except those which are exempted under this standard, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. 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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

settled. The liabilities are presented as current employee benefit obligations in the balance sheet.”

Post-employment obligations

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

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

3.13. Income Taxes

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

Current tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.”

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

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."

3.19. Current / non-current classification

An asset is classified as current if:

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

All other assets are classified as non-current.

A liability is classified as current if:

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

All other liabilities are classified as non-current.

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

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

4 Property, plant and equipment

	Gross Block			Accumulated depreciation / amortisation			Net block	
	As at April 01, 2021	Additions during the year	Deletion during the year	As at April 01, 2021	Additions during the year	Deletion during the year	As at March 31, 2021	As at March 31, 2022
A Property, plant and equipment								
Factory Land	283.11	754.98	107.78	-	-	-	283.11	930.32
Factory Building	1,121.35	164.14	-	161.39	93.22	-	959.96	1,030.88
Plant & Machinery	2,144.81	323.63	-	756.27	364.22	-	1,388.55	1,347.96
Furniture & Fixtures	92.80	27.38	-	48.18	12.16	-	44.62	59.84
Lab Equipment	-	-	-	-	-	-	-	-
Motor Car/Vehicles	95.18	89.48	39.85	57.80	13.72	38.63	37.38	111.91
Office Equipment	36.47	14.72	-	25.19	5.55	-	11.28	20.45
Computer	35.84	9.74	-	28.32	6.92	-	7.52	10.34
Office Building	4.35	-	-	0.96	0.17	-	3.39	3.22
Total A	3,813.92	1,384.08	147.63	1,078.11	495.96	38.63	2,735.81	3,514.92
B Right to use assets (refer note 4B)								
Lease Assets	116.93	-	-	3.78	23.39	-	113.15	89.76
Total B	116.93	-	-	3.78	23.39	-	113.15	89.76
C Capital work-in-progress								
Total C	35.84	-	32.47	-	-	-	35.84	3.37
Total C	35.84	-	32.47	-	-	-	35.84	3.37
D Intangible Assets								
Software	22.04	-	-	10.05	3.10	-	11.99	8.89
Total D	22.04	-	-	10.05	3.10	-	11.99	8.89

Refer note 16 & 20 for assets provided as security.

Factory Building includes ₹27.83 Lakhs book value 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.

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year. Title deeds of Immovable Property not held in the name of the Company Land at Ankleshwar carrying value 25 Lakhs.

Title deeds of Immovable Property not held in the name of the Company for Land at Saykha GIDC, Dahej carrying value 752.74 Lakhs acquired in current year wherein the Company is under the process of executing lease deed with GIDC.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

Property, plant and equipment

(₹ in Lakh)

	Gross Block		Accumulated depreciation / amortisation		Net block			
	As at April 01, 2020	Additions during the year	Deletion during the year	As at April 01, 2020	Additions during the year	Deletion during the year	As at April 01, 2020	As at March 31, 2021
A Property, plant and equipment								
Factory Land	283.11	-	-	-	-	-	283.11	283.11
Factory Building	1,121.35	-	-	1,121.35	60.33	101.07	1,061.02	959.96
Plant & Machinery	2,080.71	90.29	26.18	2,144.81	329.17	436.90	1,751.54	1,388.55
Furniture & Fixtures	86.72	6.07	-	92.80	33.65	14.53	53.07	44.62
Electrical Installation	-	-	-	-	-	-	-	-
Lab Equipment	-	-	-	-	-	-	-	-
Vehicles	67.03	28.15	-	95.18	49.69	8.11	17.34	37.38
Office Equipment	34.02	2.46	-	36.47	17.37	7.83	16.65	11.28
Computer	33.45	2.39	-	35.84	22.25	6.07	11.20	7.52
Office Building	4.35	-	-	4.35	0.79	0.17	3.56	3.39
Total A	3,710.75	129.35	26.18	3,813.92	513.24	574.67	3,197.50	2,735.81
B Right to use assets (refer note 4B)								
Lease Assets	-	116.93	-	116.93	-	3.78	-	113.15
Total B	-	116.93	-	116.93	-	3.78	-	113.15
C Capital work-in-progress								
Total C	14.89	20.95	-	35.84	-	-	14.89	35.84
D Intangible Assets								
Software	22.04	-	-	22.04	5.86	4.19	16.18	11.99
Total D	22.04	-	-	22.04	5.86	4.19	16.18	11.99

** Gross block & Accumulated depreciation includes all asset taken over of erstwhile Efferchem Private limited acquired pursuant to the scheme of arrangement refer note 51. 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 ₹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.

*Title deeds of immovable Property not held in the name of the Company Land at Ankleshwar carrying value 25 Lakhs.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

4A Capital WIP Ageing Schedule

As at March 31, 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	2.16	0.21	0.73	0.27	3.37
Projects temporarily suspended	-	-	-	-	-
	2.16	0.21	0.73	0.27	3.37
Intangible Assets					
Project in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at March 31, 2021	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	20.95	0.73	-	14.16	35.84
Projects temporarily suspended	-	-	-	-	-
	21.00	1.00	-	14.00	36.00
Intangible Assets					
Project in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

4B Right to use

(i) Amounts to be recognised in balance sheet as on March 31, 2022

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2022	March 31, 2021
Lease hold land	116.93	116.93
Total	116.93	116.93

Lease liabilities	March 31, 2022	March 31, 2021
Current	17.62	12.95
Non - Current	83.50	101.12
Total	101.12	114.08

(ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2022

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

Depreciation	March 31, 2022	March 31, 2021
Lease hold land/building	23.39	3.78
Total	23.39	3.78

Interest expenses on lease liabilities (included in finance cost) ₹309 thousand

(iii) Total cash outflow for leases during financial year was :

Particulars	March 31, 2022	March 31, 2021
Operating cash flows : Interest expenses	17.42	3.09
Total	17.42	3.09

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

5 Non-current Investments:

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Non-Current Investments:		
(a) Investments in Equity Instruments		
Equity Shares (Quoted & carried at fair value through Profit & loss)	56.00	111.10
(b) Investments in Government Securities :		
Government Securities (Unquoted at cost) (Deposited with Government authorities)	0.01	0.01
(c) Investments in Debentures:		
Debentures (at Cost)	0.41	0.41
Total	56.41	111.51

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

(₹ in Lakh)

	As at			
	March 31, 2022		March 31, 2021	
	Units	Amount	Units	Amount
Arvind Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹10 Each)	1,000	1.15	1,000	0.66
Arvind Smartspaces Ltd.(100 (Prev.Yr. 100) Equity shares Fully paid of ₹10 Each)	100	0.20	100	0.10
Arvind Fashion Ltd (200 (prev Yr 200) Equity shares Fully paid of ₹4 Each)	200	0.57	200	0.28
The Anup engg Ltd (37 (prev Yr 37)Equity shares Fully paid of ₹10 Each)	37	0.29	37	0.21
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of ₹2 Each)	2,500	2.52	2,500	2.25
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of ₹10 Each)	8,400	3.78	8,400	0.54
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 895) Equity shares Fully paid of ₹2 Each)	895	1.45	895	0.73
HLV Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹2 Each)	1,000	0.09	1,000	0.06
J S W Energy Ltd.(0 (Prev.Yr. 1250) Equity shares Fully paid of ₹10 Each)	-	-	1,250	1.10
Kiri Industries Ltd.(500 (Prev.Yr. 500) Equity shares Fully paid of ₹10 Each)	500	2.45	500	2.08
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of ₹10 Each)	346	0.60	346	0.30
Navin Flourine International Ltd.(0 (Prev.Yr. 1730) Equity shares Fully paid of ₹2 Each)	-	-	1,730	47.66
NOCIL Ltd.(15,000 (Prev.20,000) Equity shares Fully paid of ₹10 Each)	15,000	37.34	20,000	34.55
Novartis India Ltd. (0 (Prev.Yr. 500) Equity shares Fully paid of ₹5 Each)	-	-	500	2.76
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of ₹1 Each)	3,000	3.90	3,000	2.10
Petronet LNG Ltd.(0 (Prev.Yr. 6000) Equity shares Fully paid of ₹10 Each)	-	-	6,000	13.48
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of ₹5 Each)	9,900	1.19	9,900	1.95
Bank of Baroda Ltd.(402 (prev Yr 402)Equity shares fully Paid ₹2/- Each)	402	0.45	402	0.30
		56.00		111.10

(₹ in Lakh)

6 Other Non Current Assets

(Unsecured and considered good)

	March 31, 2022	March 31, 2021
Capital Advances-Related (Refer note 40)	205.00	204.75
Capital Advances-Others	33.00	12.96
Deposits with Government Authorities and Others (Refer note 46,47 & 50)	154.00	137.81
Total	392.00	355.51

Deposits with Government Authorities and Others ₹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.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

	March 31, 2022	March 31, 2021
7 Inventories		
(At cost or net realisable value whichever is lower)		
(a) Raw materials & Others	762.42	785.30
(b) Finished goods	2,317.44	1,023.13
Total	3,079.86	1,808.43

	March 31, 2022	March 31, 2021
8 Trade receivables (Unsecured)		
Trade receivables-Considered Good	4,261.11	3537.47
Total	4,261.11	3,537.47

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

Trade Receivable ageing schedule from the due date of payments :

Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - Considered good	3,200.00	798.20	15.31	88.44	3.16	156.01	4,261.12
(ii) Undisputed dues - which has significant increase in credit risk	0	-	-	-	-	-	-
(iii) Undisputed dues - credit impaired	0	-	-	-	-	-	-
(iv) Disputed dues - Considered good	0	-	-	-	-	-	-
(v) Disputed dues - which has significant increase in credit risk	0	-	-	-	-	-	-
(vi) Disputed dues - credit impaired	0	-	-	-	-	-	-
	3,200.00	798.20	15.31	88.44	3.16	156.01	4,261.12

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - Considered good	3003.90	201.35	143.33	48.59	-	140.30	3,537.47
(ii) Undisputed dues - which has significant increase in credit risk	0	-	-	-	-	-	-
(iii) Undisputed dues - credit impaired	0	-	-	-	-	-	-
(iv) Disputed dues - Considered good	0	-	-	-	-	-	-
(v) Disputed dues - which has significant increase in credit risk	0	-	-	-	-	-	-
(vi) Disputed dues - credit impaired	0	-	-	-	-	-	-
	3,003.90	201.35	143.33	48.59	-	140.30	3,537.47

	March 31, 2022	March 31, 2021
9 Cash and Cash equivalents:		
Balances with Scheduled Bank:		
In Current Account	168.27	398.95
In EEFC Account	8.47	92.61
Cash in Hand	5.14	8.33
Total	181.87	499.89

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

	March 31, 2022	March 31, 2021
10 Other bank balances		
Earmarked Balance		
Unpaid Dividend Account	12.10	6.86
In Fixed deposit	94.09	113.54
Total	106.19	120.40

	March 31, 2022	March 31, 2021
11 Other Financial assets		
Deposit to Related parties (refer Note no 40)	51.49	46.68
Financial Asset liability on account of derivatives	21.71	0.53
Total	73.20	47.21

	March 31, 2022	March 31, 2021
12 Other current assets: (Unsecured and considered good)		
Loans and advances to Related parties (refer Note no 40)	83.08	194.11
Loans and advances to Employees	-	3.18
Prepaid Expenses	53.36	40.52
Balance with Government Authorities		-
GST	506.65	586.06
MVAT Refund	20.51	20.51
Service Tax	2.90	2.90
Advances recoverable in cash or kind or for value to be received		-
Export Incentive	137.47	199.58
Advance to Suppliers	37.67	158.84
Claim Receivable (Refer note 48)	-	67.54
Others/Income tax	66.63	44.26
Total	908.26	1,317.48

13 Equity Share capital:

(₹ in Lakh)

a) Equity Share capital

(Except no. of shares)

	March 31, 2022		March 31, 2021	
	No of shares	Amount	No of shares	Amount
Authorised Share Capital:				
Equity shares of ₹10 each	1,35,00,000	1,350	1,05,00,000	1,050
(During the year, the Company has increased its Authorised Share Capital from ₹10,50,00,000/- divided into 1,05,00,000 Equity Shares of ₹10/-each to ₹13,50,00,000/- divided into 1,35,00,000 Equity Shares of ₹10/- each.)				
Issued, Subscribed and Fully Paid-up Shares:				
Equity shares of ₹10 each fully paid up	1,02,49,500	1,025	95,49,500	955

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

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

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Outstanding at beginning of the year	95,49,500	955	77,24,500	772
Equity Shares Allotted pursuant to the scheme of arrangement (Refer Note No. 51)	-	-	18,25,000	183
Equity Shares Allotted upon conversion of even number of warrants issued on preferential basis.**	7,00,000	70	-	-
Balance as at End of Year	1,02,49,500	1,025	95,49,500	955

** Issued equity shares at a premium of ₹101 per share on conversion of even no warrants issued on preferential basis to the promoter / promoter group.

c) Terms / rights attached to equity shares

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

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

During the year ended March 31, 2022, the amount of per share dividend recognised as ₹0.90 (March 31, 2021 ₹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 /Promotors who holds more than 5% of equity shares in the company:

Name of the shareholders	March 31, 2022		March 31, 2021		% change during the year
	No. of shares	% of Holding	No. of shares	%	
Vipul P. Shah-Promotor Group	22,46,100	21.91%	20,46,100	19.96%	1.95%
Mihir V. Shah-Promotor Group	17,02,600	16.61%	14,52,600	14.17%	2.44%
Vatsal V. Shah-Promotor Group	13,43,400	13.11%	12,43,400	12.13%	0.98%
Mita V. Shah-Promotor Group	6,12,500	5.98%	5,12,500	5.00%	0.98%
Jaya P. Shah-Promotor Group	4,86,500	4.75%	4,86,500	4.75%	0.00%
	63,91,100	62.36%	57,41,100	56.01%	

e) Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company 0.00%

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

The Board of Directors of the Company has approved the issue of 25,62,375 Bonus Equity Shares to its existing shareholders in ratio of 1:4 (i.e. 1 (One) new Bonus Equity Share of face value of ₹10/- each on existing 4 (Four) Equity Shares of face value of ₹10/- each in its meeting held on 28th February, 2022 and the same was approved by the Shareholders of the Company on 31st March, 2022 through Postal Ballot Process. Accordingly, 25,62,375 Bonus Equity Shares were issued and allotted on 11th April 2022.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

	March 31, 2022	March 31, 2021
14 Other Equity		
Capital Reserve	62.78	62.78
Securities Premium	1,676.78	969.78
General Reserve	90.10	90.10
Consolidation Reserve	0.48	0.48
Retained Earnings	2,387.88	1,776.23
Other reserves-Accumulated other comprehensive income	(11.18)	(4.28)
Total	4,206.83	2,895.08
Reserves and surplus:		
14.1 Capital Reserve		
Balance at beginning of year	62.78	62.78
Balance at end of year	62.78	62.78
14.2 Securities Premium Account:		
Balance at beginning of year	969.78	969.78
Add /Less: Premium on Issue Of Equity Shares	707.00	-
Balance at end of year	1,676.78	969.78
During the year, 7,00,000 Equity Shares of ₹10/- were issued to the promoter / promoter group upon conversion of even number of warrants issued on preferential basis at a premium of ₹101 per share.		
14.3 General Reserve		
Balance at beginning of year	90.10	90.10
Balance at end of year	90.10	90.10
14.4 Retained Earnings		
Balance at beginning of year	1,776.23	1,166.57
Add: Profit after Tax for the year	697.59	685.37
Less: Appropriations:		
Opening Balance impact of IND AS 116	-	0.68
Dividend - Final	(85.95)	(76.406)
Balance at end of year	2,387.88	1,776.23
Proposed dividend on equity shares not recognised		
Final dividend for the year ended ₹0.9 per share (PY ₹0.9 per share)	92.25	76.40
14.5 Other reserves-Accumulated other comprehensive income		
Balance at beginning of year	(4.28)	(5.08)
Other comprehensive income	(6.90)	0.80
Balance at end of year	(11.18)	(4.28)

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
15 Advance Subscription against share warrants		
Preferential Share Warrant		
Nil (Previous year 7,00,000) Preferential Share warrant paid up ₹10 each	-	194.25
	-	194.25

During the previous year, 7,00,000 Equity Shares of ₹10/- were issued to the promoter / promoter group upon conversion of even number of warrants issued on preferential basis at a premium of ₹101 per share.

The Company had allotted in previous year 7,00,000 Warrants, carrying a right to subscribe to one Equity Share per Warrant, at a price of ₹111/- per Warrant including premium of ₹101/- per share, aggregating to ₹7,77,00,000/- upon receipt of 25% of the issue price were allotted to the promoter and promoter group on a preferential basis on 23rd February, 2021.

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
16 Long term borrowings:		
(a) Secured Loans		
Term Loan from Bank		
Loan from Bank Against Vehicles	4.86	18.01
Loan from Bank Against Proposed Plant & Machinery / Factory Building Tarapore	603.87	899.46
(refer note 20 -Current Maturity of long term Loan) Sub Total (a)	608.73	917.47
Term Loan from Others		
Loan from Others Against Vehicles	39.51	-
(refer note 20 -Current Maturity of long term Loan) Sub Total (b)	39.51	-
(b) Unsecured Loans		
Loan from Director/relative of Directors**	0.95	0.95
Sub Total (c)	0.95	0.95
Total (A) + (B) +(C)	649.19	918.41

** (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

₹4.86 (In Lakhs) (Previous Year ₹18.01 (in Lakhs) 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 Tarapore

₹551.66(in Lakhs) (Previous Year ₹686.75 (in Lakhs) secured by hypothecation of movable fixed assets and Factory Building at Tarapore wherein in Term loan for ₹90000('000) principal payable in equal monthly installment of ₹11.70 (in Lakhs) over period of 78 months after initial moratorium period of 6 months from date of disbursement from Axis Bank Ltd. and carry interest rate of 9.85 % & 9.60% . 6.65% on Foreign Currency Term Loan (6 months Libor + 4.14 %). Second Charge on Current assets by way of 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.

₹292.78(in Lakhs) (Previous Year ₹340 (in Lakhs) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit gurantee by NCGTC principal payable in equal monthly installment of ₹9.44 (in Lakhs) 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%.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

₹103.33(in Lakhs) (Previous Year ₹124(in Lakhs) working capital Term Loan secured by existing hypothecation of the bankers and 100% credit gurantee by NCGTC principal payable in equal monthly installment of ₹3.44(in Lakhs) 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%.

Secured Term Loans from Others

₹59.04 (in Lakhs) (Previous Year Nil) secured by hypothecation of vehicles from Daimler Financials Services India Ltd. Equal monthly instalments over the period of 3 Years by 13th March 2025 and carry interest rate of 6.83 % p.a.

(₹ in Lakh)

	March 31, 2022	March 31, 2021
17 Lease Liabilities		
Lease Liabilities (refer note 4B)	83.50	101.12
Total	83.50	101.12
18 Non Current Provision		
Provision for Gratuity	1.77	1.77
Total	1.77	1.77
19 Deferred Tax Liabilities		
Major components of deferred tax are:		
Related to Property ,Plant & Equipment	41.03	52.32
Others	(6.24)	(5.78)
Net Deferred Tax Liability	34.79	46.54
20 Short-term borrowings:		
Loans repayable on demand		
From banks		
Secured	1,903.67	1,521.85
Current Maturity of long term Loan		
From Bank & Others	370.25	253.68
Total	2,273.92	1,775.53

From Bank of Baroda

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

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

From Axis Bank

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

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

	March 31, 2022	March 31, 2021
21 Trade payables		
Total Outstanding Dues -Micro and small enterprises	155.20	186.21
Total Outstanding Dues -Other than micro & small enterprises **	3,755.46	3,137.70
Total	3,910.66	3,323.91

21.a 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	155	186.21
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.	1.24	2.45
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.	1.24	2.45

21.b Trade Payables ageing schedule from the due date of payments :

Particulars	As at March 31, 2022					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	121.46	14.67	10.05	9.01	-	155.20
(ii) Others	2,286.37	197.20	139.07	1,131.45	1.37	3,755.46
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,407.83	211.88	149.12	1,140.46	1.37	3,910.66

Particulars	As at March 31, 2021					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	111.80	42.85	31.56	-	-	186.21
(ii) Others	1,558.20	296.33	1,276.93	0.52	5.72	3,137.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,669.99	339.18	1,308.49	0.52	5.72	3,323.91

(₹ in Lakh)

	March 31, 2022	March 31, 2021
22 Other Financial Liabilities:		
Creditors for Fixed Assets & Provision for Expenses	207.08	183.33
Unclaimed Dividend	12.10	13.07
Lease Liabilities (refer note 4B)	17.62	12.95
Deposit from Dealers	23.50	0.50
Total	260.31	209.85

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

	March 31, 2022	March 31, 2021
23 Other current liabilities:		
Advance from Customers	20.31	64.35
Subsidy -Deferred Revenue Income (refer note 53)	16.32	-
Duties & taxes	14.73	20.38
Total	51.37	84.73

(₹ in Lakh)

	March 31, 2022	March 31, 2021
24 Short-term provisions:		
Provision for Tax	192.85	202.33
Total	192.85	202.33

(₹ in Lakh)

	March 31, 2022	March 31, 2021
25 Revenue from operations		
Export sales	9,824.29	9,574.05
Local sales	3,311.48	2,067.40
Export incentives (Dyestuff, Organic Pigments and Intermediates)	183.92	228.53
Total	13,319.69	11,869.98

26 Other income:

Interest on Deposit with Banks & Others	5.97	6.86
Interest on Security Deposit-IND AS	4.81	0.73
Dividend on Investments	0.84	1.04
Fair Value Gain/(Loss) on Financial Assets	(46.81)	55.61
Exchange Gain/Loss	129.54	(42.53)
Gain/(Loss) on sale of Investment	95.66	-
Misc. Income /Sundry Balance written back	-	1.06
Subsidy Deferred Revenue Income (Refer Note 53)	6.29	-
Total	196.29	22.76

27 a) Cost of materials consumed (Chemicals & Others)

Opening Stock	769.12	476.75
Add: Purchases	5,784.64	3,363.90
Less: Closing Stock	737.56	769.12
Total	5,816.19	3,071.53

b) Purchases of Stock-in-Trade

Dyestuff, Organic Pigments and Intermediates	4,066.29	4,320.05
Total	4,066.29	4,320.05

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

	(₹ in Lakh)	
	March 31, 2022	March 31, 2021
28 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Dyestuff , Organic Pigments and Intermediates	2,317.44	1,023.13
Sub-total (A)	2,317.44	1,023.13
Inventories at the beginning of the year		
Dyestuff , Organic Pigments and Intermediates	1,023.13	1,176.71
Sub-Total (B)	1,023.13	1,176.71
(A) -(B)	(1,294.31)	153.58
29 Employee benefits expense:		
Salaries, Wages, Bonus and Gratuity	642.95	529.26
Contribution to Provident Fund and Other Funds	30.06	32.89
Total	673.01	562.14
30 Finance costs:		
Bank Interest	145.76	116.98
Bank Charges-Processing Fees	0.91	14.35
Interest on Lease	17.42	3.09
Other Interest	-	1.22
Total	164.10	135.64
31 Depreciation & Amortisation		
Depreciation Expenses(Refer note no 4)	499.06	578.86
Amortisation of Lease Refer note no 4B	23.39	3.78
Total	522.45	582.64
32 Other Expenses		
Power and Fuel	740.23	550.73
Factory Rent	13.16	5.00
Factory Expenses	102.47	58.23
Labour & Transport	466.25	419.38
Repairs & Maintenance	217.74	114.21
Packing Material	168.86	144.66
Export Clearing ,Freight & Forwarding	226.23	362.41
Professional & Legal Charges(Refer note no 36)	169.96	108.79
Travelling Expenses	57.84	23.32
Insurance Charges	40.24	47.39
Rent ,Rates & Electricity	55.19	53.74
Donation /Corporate Social Responsibility Expense (Refer note no 49)	17.31	16.06
Commission	105.57	86.44
Loss on sales of assets/Capital Asset Write off	6.21	1.63
Miscellaneous/ Office Expenses	177.22	110.83
Business Promotion	29.63	8.59
Total	2,594.12	2,111.41
33 Reconciliation of effective tax rate		

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

	March 31, 2022	March 31, 2021
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	974.13	955.76
Weighted average enacted tax rates in India	27.82%	27.82%
Computed tax expense	271.00	265.89
Tax effect of:		
Deduction under Chapter VI A	1.93	1.79
Exemption / profit link incentives	(2.89)	(1.67)
Other exempt income/Others	0.11	(0.20)
Previous year tax / Others-Interest	15.51	20.17
Tax Effect -Income taxed at Special Tax Rate	(21.38)	-
Fair Value Gain on Financial Assets	13.02	(15.47)
Actual Tax Expense	277.29	270.51
Current Tax	286.39	273.65
Deferred tax	(9.10)	(3.14)
Tax expense reported in the statement of profit and loss	277.29	270.51

34 Earnings per share:

The Numerators and denominators used to calculate Earnings per Share:

Nominal Value of Equity Share (₹)	₹	10/-	10/-
Net Profit available for equity shareholders(₹In lacs) = (A)	₹	689.93	686.05
Weighted Average number of shares outstanding during the year - (B)	Nos.	1,21,16,897.26	1,13,74,375.00
Basic and Diluted Earnings Per Share (₹) - (A) / (B)	₹	5.70	6.03

Reconciliation of weighted average number of equity shares:

Particulars	March 31, 2022	March 31, 2021
Equity shares outstanding at the beginning of the year	95,49,500	77,24,500.00
Equity shares issued during the year	7,00,000	18,25,000.00
Equity shares outstanding at the end of the year	1,02,49,500	95,49,500.00
Weighted average number of shares Outstanding	96,93,518	90,99,500.00
Weighted Average number of Bonus Shares Issued**	24,23,379	22,74,875.00
Total weighted average number of shares	1,21,16,897	1,13,74,375.00

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

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

** The Board of Directors of the Holding Company has approved the issue of 25,62,375 Bonus Equity Shares to its existing shareholders in ratio of 1:4 (i.e. 1 (One) new Bonus Equity Share of face value of ₹10/- each on existing 4 (Four) Equity Shares of face value of ₹10/- each in its meeting held on 28th February, 2022 and the same was approved by the Shareholders of the Holding Company on 31st March, 2022 through Postal Ballot Process. Accordingly, 25,62,375 Bonus Equity Shares were issued and allotted on 11th April 2022 and Earning per share has been adjusted against for the current and previous periods and presented in accordance with IND AS 33, Earning per share.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

	March 31, 2022	March 31, 2021
35 Contingent liabilities and Commitments:		
(i) Contingent Liabilities		
(a) Income tax matters not acknowledged as debt	220.85	220.85
(b) Dues Raised by M.S.E.B which is protested by Company.	2.50	2.50
(c.) Sales Tax demands disputed by the Company relating to forms etc.	1.05	1.05
(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	224.40	224.40
(ii) Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	0.00	100.00
	0.00	100.00
36 Payments to Auditors for the year		
Auditors' Remuneration & Expenses		
(a) As Auditors	5.00	4.70
(b) Certification and Other matters	1.39	1.40
Total	6.39	6.09

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 Analytical Ratio

Ratio	March 31, 2022	March 31, 2021	% Variation	Reason for variation
Current Ratio	1.29	1.31	-2%	Refer note 1
Debt-Equity Ratio	0.56	0.70	-20%	Refer note 1
Debt Service Coverage Ratio	3.76	3.60	4%	Refer note 1
Return on Equity Ratio	21.45%	26.88%	-20%	Refer note 1
Inventory turnover ratio	4.04	4.31	-6%	Refer note 1
Trade Receivables turnover ratio	3.42	3.93	-13%	Refer note 1
Trade payables turnover ratio	2.72	2.22	23%	Refer note 1
Net capital turnover ratio	6.93	6.84	1%	Refer note 1
Net profit ratio	5.23%	5.77%	-9%	Refer note 1
Return on Capital employed	13.90%	16.56%	-16%	Refer note 1
Return on investment	8.34%	9.42%	-11%	Refer note 1

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

Reason for variation

1. Not applicable as the variation is < 25%

Numerators and Denominators considered for the aforesaid ratios:

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt-Equity Ratio	Total Debt	Shareholder's Equity
Debt Service Coverage Ratio	Earnings available for debt service *	Debt Service **
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity
Inventory turnover ratio	Cost of goods sold	Average Inventory
Trade Receivables turnover ratio	Net Sales	Avg. Accounts Receivable
Trade payables turnover ratio	Net Purchases	Average Trade Payables
Net capital turnover ratio	Net Sales	Working Capital
Net profit ratio	Net Profit	Net Sales
Return on Capital employed	Earning before interest and taxes	Capital Employed ***\$
Return on investment	Earning before interest and taxes	Avg. Total Assets

* Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc

** Debt service = Interest & Lease Payments + Principal Repayments

*** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

\$ Borrowings does not includes Lease liabilities

39 Derivative Instruments and Unhedged Foreign Currency exposure

Derivative Outstanding as at the Reporting date

(₹ in Lakh)

	As on March 31, 2022		As on March 31, 2021	
	Amount in base currency USD (in Lakhs)	Amount in INR	Amount in base currency USD (in Lakhs)	Amount in INR
Forward contract to sell USD	20.00	1,518.20	6.00	434.40

Above derivative instrument have been acquired for hedging purpose

Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

(₹ in Lakh)

		As on March 31, 2022		As on March 31, 2021	
		Amount in base currency	Amount in INR	Amount in base currency	Amount in INR
Trade receivable	USD (in Lakhs)	40.67	3,087.48	31.86	2,306.53
	EURO (in Lakhs)	-	-	1.18	100.83
Trade payables & borrowings	USD (in Lakhs)	5.42	411.42	9.56	691.92

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

40 Related Party Disclosures

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

I List of Related Parties

a) Key Management Personal (KMP)

Mr V. P. Shah
Mr Mihir V Shah
Dr. S. N. Sahai
Mr Jagdeep Mehta
Ms Megha Satyendra Bhatti
Mr Prasannakumar Gawde

b) Relatives of KMP

Late Ms. Jaya P. Shah
V. P. Shah HUF
Ms Mita V Shah
Ms. Niloni M Shah
Mr Vatsal V Shah
Ms Kavita Varaiya

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

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

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2022

(₹ in Lakh)

Nature of transaction	Year	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	2021-2022	-	4.80	555.74
	2020-2021	-	4.80	207.81
Sale/Services/Interest	2021-2022	2.16	-	218.90
	2020-2021	-	-	57.90
Share/Warrant Subscription received	2021-2022	374.63	208.13	-
	2020-2021	124.88	69.38	-
Managerial Remuneration /Salary/Sitting Fees	2021-2022	158.47	13.89	-
	2020-2021	121.14	9.66	-
Balance Receivable/(Payable)	31/03/22	201.98	6.38	432.20
	31/03/21	(4.67)	211.23	437.45

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

41 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.

A (₹ in Lakh)

As at March 31, 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	111.51	0.41	111.10	-	-
Trade Receivables	3,537.47	3,537.47	-	-	-
Cash and cash equivalents	499.89	499.89	-	-	-
Other bank balances	120.40	120.40	-	-	-
Other Financial Assets	47.21	47.21	-	-	-
Total	4,316.48	4,205.38	111.10	-	-
Financial liabilities					
Other non-current financial liability	918.41	918.41	-	-	-
Trade and other payables	3,323.91	3,323.91	-	-	-
Other current financial liabilities	1,985.38	1,985.38	-	-	-
Total	6,227.71	6,227.71	-	-	-

B (₹ in Lakh)

As at March 31, 2022	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	56.41	0.42	56.00	-	-
Trade Receivables	4,261.11	4,261.11	-	-	-
Cash and cash equivalents	181.87	181.87	-	-	-
Other bank balances	106.19	106.19	-	-	-
Other Financial Assets	73.20	73.20	-	-	-
Total	4,678.77	4,622.78	56.00	-	-
Financial liabilities					
Other non-current financial liability	649.19	649.19	-	-	-
Trade and other payables	3,910.66	3,910.66	-	-	-
Other current financial liabilities	2,534.22	2,534.22	-	-	-
Total	7,094.07	7,094.07	-	-	-

During the reporting period ending 31 March 2022 and 31 March 2021, 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.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

42 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:

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Considered Good		
0-12 Months	4,013.50	3,387.17
More Than 1 year	247.61	118.36
Carrying Amount of receivable	4,261.11	3,505.53

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.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

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, 2021		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	918.41	918.41
Trade and other payables	3,323.91	-	3,323.91
Other current financial liabilities	1,985.38	-	1,985.38
Total Financial Liabilities	5,309.30	918.41	6,227.71

(₹ in Lakh)

Financial Liabilities	As at 31 st March, 2022		
	Less than 1 year	More than 1 year	Total
Other non-current financial liability	-	649	649
Trade and other payables	3,911	-	3,911
Other current financial liabilities	2,534	-	2,534
Total Financial Liabilities	6,445	649	7,094

(₹ in Lakh)

iii) Market risk

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

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

a) Foreign currency risk

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

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

(₹ in Lakh)

Foreign currency exposure	Currency	March 31, 2022	March 31, 2021
Trade receivables & Advance	USD in 'Lakhs	40.67	37.86
Cash and cash equivalents	USD in 'Lakhs		
Net exposure to foreign currency risk (assets)		40.67	37.86
Trade payables	USD in 'Lakhs	5.42	4.54
Current Borrowings	USD in 'Lakhs	5.00	1.41
Other financial liabilities	USD in 'Lakhs	-	-
Net exposure to foreign currency risk (liabilities)	USD in 'Lakhs	10.42	5.95
Rupee Conversion Rate		75.91	72.40

Foreign currency sensitivity

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

(₹ in Lakh)

Foreign currency	March 31, 2022		March 31, 2021	
	5% Weakening	5% Strengthening	5% Weakening	5% Strengthening
USD	114.83	(114.83)	115.52	(115.52)
Increase / (decrease) in profit and loss	114.83	(114.83)	115.52	(115.52)

b) Interest rate risk

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

Exposure to interest rate risk

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

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Current Borrowings		
Variable rate borrowings	2,273.92	1,775.53
	2,273.92	1,775.53

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, 2022

(₹ in Lakh)

	March 31, 2022		March 31, 2021	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Impact on profit	(11.37)	11.37	(8.88)	8.88
Increase / (decrease) in profit and loss	(11.37)	11.37	(8.88)	8.88

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.

(₹ in Lakh)

	March 31, 2022	March 31, 2021
Borrowings (long-term and short-term borrowings including current maturities)	2,923.10	2,693.94
Cash & Cash Equivalent including Other current financial asset	361.25	667.51
Adjusted net debt	2,561.86	2,026.43
Total Equity	5,231.78	4,044.28
Adjusted net debt to equity ratio	0.49	0.50

44 A) Business Combinations

i) Subsidiaries

The Group's subsidiaries as at March 31, 2022 and March 31, 2021 are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Indian Subsidiary-Shri Ambika Naturals Private Ltd	Principal activities	% of ownership Interest as on	
		March 31, 2022	March 31, 2021
Ownership interest held by the group	Manufacturing of Dyes stuff & Organic Intermediates.	56.04	56.04
Proportion of ownership of Interest by non-controlling interests		43.96	43.96

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.

(₹ in Lakh)

Summarised Balance sheet	March 31, 2022	March 31, 2021
Shri Ambika Naturals Private Ltd		
Current assets	92.70	92.54
Current liabilities	30.50	28.71
Net current assets	62.20	63.82
Non Current assets	2.80	2.95
Non Current liabilities	(11.30)	(11.28)
Net non-current assets	14.10	14.23
Net assets	48.20	49.59
Accumulated NCI	(14.50)	(13.77)

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

Summarised Statement of Profit & Loss Shri Ambika Naturals Private Ltd	March 31, 2022	March 31, 2021
Revenue	-	166.16
Profit for the year	(1.73)	(0.29)
Other comprehensive income	-	-
Total Comprehensive income	(1.73)	(0.29)
Profit allocated to NCI	(0.76)	(0.13)
Summarised cash flows Shri Ambika Naturals Private Ltd	March 31, 2022	March 31, 2021
Cash flows from operating activities	(0.62)	(7.27)
Cash flows from investing activities	-	12.98
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(0.62)	5.71

iii) Transactions with non- controlling interests

There are no transaction with non controlling interest in FY 2021-22 and 2020-21.

44 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.

(₹ in Lakh)

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	2021-22	98.54%	5,155.46	100.25%	691.66
	2020-21	98.07%	3,966.22	100.04%	686.34
Subsidiary (Indian) : Shree Ambika Naturals Private Limited	2021-22	1.46%	76.32	-0.25%	(1.73)
	2020-21	1.93%	78.05	-0.04%	(0.29)
Total	2021-22	100.00%	5,231.78	100.00%	689.93
	2020-21	100.00%	4,044.28	100.00%	686.05

45 The Board of Directors of the Holding Company has recommended a final dividend of ₹0.90 per equity share for the year ended March 31, 2022 (Previous Year ₹0.90 per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting.

46 The Holding Company has deposits of ₹74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the Holding company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Holding Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.

47 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.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

48 Claim Receivable

Claim Receivable includes claim of ₹54.01 lakhs lodged with the Insurance Company on account of damage due to flooding at Ambernath factory which was under under process at the previous year end which has been realised during the the current year.

(₹ in Lakh)

49 Corporate Social Responsibility Expense	March 31, 2022	March 31, 2021
Amount required to be spent during the year		
Corporate Social Responsibility Expense	14.13	10.24
Amount spent during the year (paid in cash)		
i) Acquisition /construction of any asset	-	-
ii) Purpose other than above (i)	14.51	16.06
Amount spent during the year (yet to be paid in cash)		
i) Acquisition /construction of any asset	-	-
ii) Purpose other than above (i)	-	-
	14.51	16.06

50 Due to the outbreak of Pandemic "Novel Coronavirus" (COVID - 19), the Group 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. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other Current Assets. The Company has performed sensitivity analysis on these current estimates and expects that the carrying amount of these assets will be recovered. However, the actual impact of COVID-19 on these financial statements may differ from the estimates and the company will continue to closely monitor any material changes to future economic conditions.

51 **Business Combination :** The scheme of Arrangement for the merger of Efferchem Private Limited (ECPL) with the Vipul Organics Limited (the scheme) was 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 April 1, 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 ₹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 ₹9,54,95,000/- divided into 95,49,500 equity shares of ₹10/ - each fully paid up. Earnings per share 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 periods. ECPL is in the same business of manufacturing of Pigments , Naphthols and Fast Salts.

52 Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iii) The Company has not come across any transaction occurred with struck-off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (v) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of the Companies beyond the statutory period.

Notes to the Consolidated Financial Statements for the financial year ended 31st March, 2022

- (vi) Utilization of borrowed funds and share premium :
- (I) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (II) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (viii) The company has not granted any loans or advances in the nature of loans either repayable on demand.
- 53** The Holding Company has received Credit Linked Capital Subsidy Scheme amounting to ₹22.62 lakhs against capital investment made in Plant & Machinery for the year 2019-2020 . Government grants relating to the purchase of 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.
- 54** The figures have been rounded off to the nearest lakhs of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹50,00/-.
- 55** Previous year figures are regrouped / re classified wherever necessary to correspond with current year classification / disclosure.

See accompanying notes to the financial statements

In terms of our report attached.

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

Chartered Accountants

Firm Registration No. 105487W

R. A. Kuvadia

Proprietor

Membership No. 040087

Mumbai

Dated :30th May,2022

For and on behalf of the Board of Directors

of **Vipul Organics Limited**

Vipul P. Shah

Managing Director

DIN: 00181636

Mihir V. Shah

Whole Time Director & CFO

DIN: 05126125

Shiv Nath Sahai

Director

DIN: 00332652

Krina Sanghvi

Company Secretary & Compliance Officer

Membership No.: A47242

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