

Annual Report  
2018-19



**Valiant Organics**  
Limited

# A QUANTUM **LEAP FORWARD**



# Inside This Report

## 01-24 Corporate Overview

- 01 Highlights FY 2018-19
- 02 A Quantum Leap Forward
- 04 We are Valiant Organics Limited
- 06 Key Enablers for a Significant Leap
- 08 Our Journey of Evolution
- 10 A Year Focused on Leaping Forward
- 12 Managing Director's Message
- 14 Our Board of Directors
- 16 Our Key Business Strategies
- 21 Towards the Next Orbit of Growth
- 22 Making a Difference
- 24 Corporate Information

## 25-51 Statutory Reports

- 25 Management Discussion & Analysis
- 30 Directors' Report

## 52-120 Financial Statements

### Standalone

- 52 Independent Auditors' Report
- 60 Balance Sheet
- 61 Statement of Profit and Loss
- 62 Cash Flow Statement
- 64 Notes to the Financial Statements

### Consolidated

- 90 Independent Auditors' Report
- 96 Balance Sheet
- 97 Statement of Profit and Loss
- 98 Cash Flow Statement
- 100 Notes on Consolidated Financial Statements

- 121 Notice









To view our Annual Report online,  
please visit:  
[www.valiantorganics.com](http://www.valiantorganics.com)

### Forward-Looking Statement

Statement in the Annual Report describing the Company's objectives, projections, expectations and estimates regarding future performance may be "Forward-Looking Statements" and are based on currently available information. The Management believes these to be true to the best of its knowledge at the time of preparation of this Report. However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those which may be indicated in such statements.

# Highlights FY 2018-19\*


<h2>Revenues</h2>  <p>₹ 606 Crores</p> <p>402%</p>	<h2>Exports</h2>  <p>₹ 74 Crores</p> <p>158%</p>	<h2>EBITDA</h2>  <p>₹ 184 Crores</p> <p>560%</p>
<h2>Profit After Tax</h2>  <p>₹ 121 Crores</p> <p>641%</p>	<h2>Net Worth</h2>  <p>₹ 259 Crores</p> <p>339%</p>	<h2>EBITDA Margin</h2>  <p>30.4 %</p> <p>730 (bps) growth</p>

\*FY 2018-19 figures include figures of merged entity, Amariyot Chemical Limited.

\*Percentages indicate YoY comparison.

# A QUANTUM LEAP FORWARD

**AGILE IN OUR STRATEGY AND SET ON AN ACCELERATED GROWTH PATH, WE HAVE TAKEN A QUANTUM LEAP FORWARD DURING THE YEAR ACROSS OUR PRODUCTS, CAPACITIES, PROFICIENCIES, AND PROFITABILITY.**



With deep domain knowledge, a specialised business model, and competitive advantages, we worked towards achieving synergistic growth during the year. Capacities were augmented and operational efficiencies improved, alongside the launch of an extensive range of innovative products and specialty chemicals.

Today, we have robust financials, a healthy bottom line, and a near debt-free balance sheet. We are leveraging the growing addressable market and rising industry opportunities to fulfil our vision of a sustainable and profitable progress.

**WE REAFFIRM OUR  
COMMITMENT TO  
FUTURE-READY  
GROWTH AND  
ENHANCED VALUE  
CREATION, AND TO  
BUILDING THE VALIANT  
OF TOMORROW.**

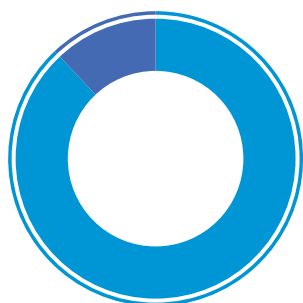
# We are Valiant Organics Limited

As a specialty chemical manufacturing company in India, backed by a legacy of 35 years, we have established a reputation of being a highly reliable supplier and a diversified product player, one that is capable of not only meeting but also anticipating market needs.



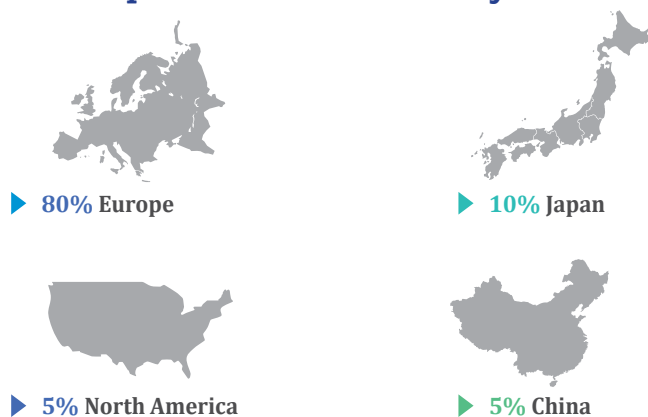


### Revenue break-up



▶ 88% Domestic ▶ 12% Exports  
 ₹532 Crores ₹74 Crores

### Total exports is contributed by



### Our Quality Certifications

ISO 9001:2015

ISO 14001:2015

OHSAS 18001:2007

Zero Liquid Discharge Units

### Our products are mainly used as intermediates in...



Agrochemicals



Dyes



Pigments



Polymers



Veterinary Drugs



Automobiles



Refineries



Fuel Additives



Rubber



Pharmaceuticals

# Key Enablers for a Significant Leap

## Domain expertise

We have a cumulative experience of more than three decades in specialty chemicals manufacturing.

## Integrated operations

- ▶ Enabling operational efficiency and meeting high quality standards.
- ▶ Implementing cost-efficient processes.

## Diversified and stable customer base

We manufacture a wide range of specialty chemicals, which find application across a variety of end-use industries.

## De-risked and unique portfolio

- ▶ Reduced dependence on single chemistry.
- ▶ Serving a variety of end-user markets across three continents.

## Multi-purpose plants

We can customise our products, enabling agile manufacturing – in terms of product types and quantities – as per the immediate market demands.

## Strategic location

Our strategically located manufacturing facilities are in close proximity to ports, offering a notable logistics and cost advantage.





Manufacturing diverse array of products

We also manufacture higher value-added and forward-integrated products.

Assured supply of raw material

Our efficient supply chain ensures a ready availability of raw materials and uninterrupted production at all times.

Achieving operational excellence

Our focus on operational excellence has contributed to our financial strength and performance.

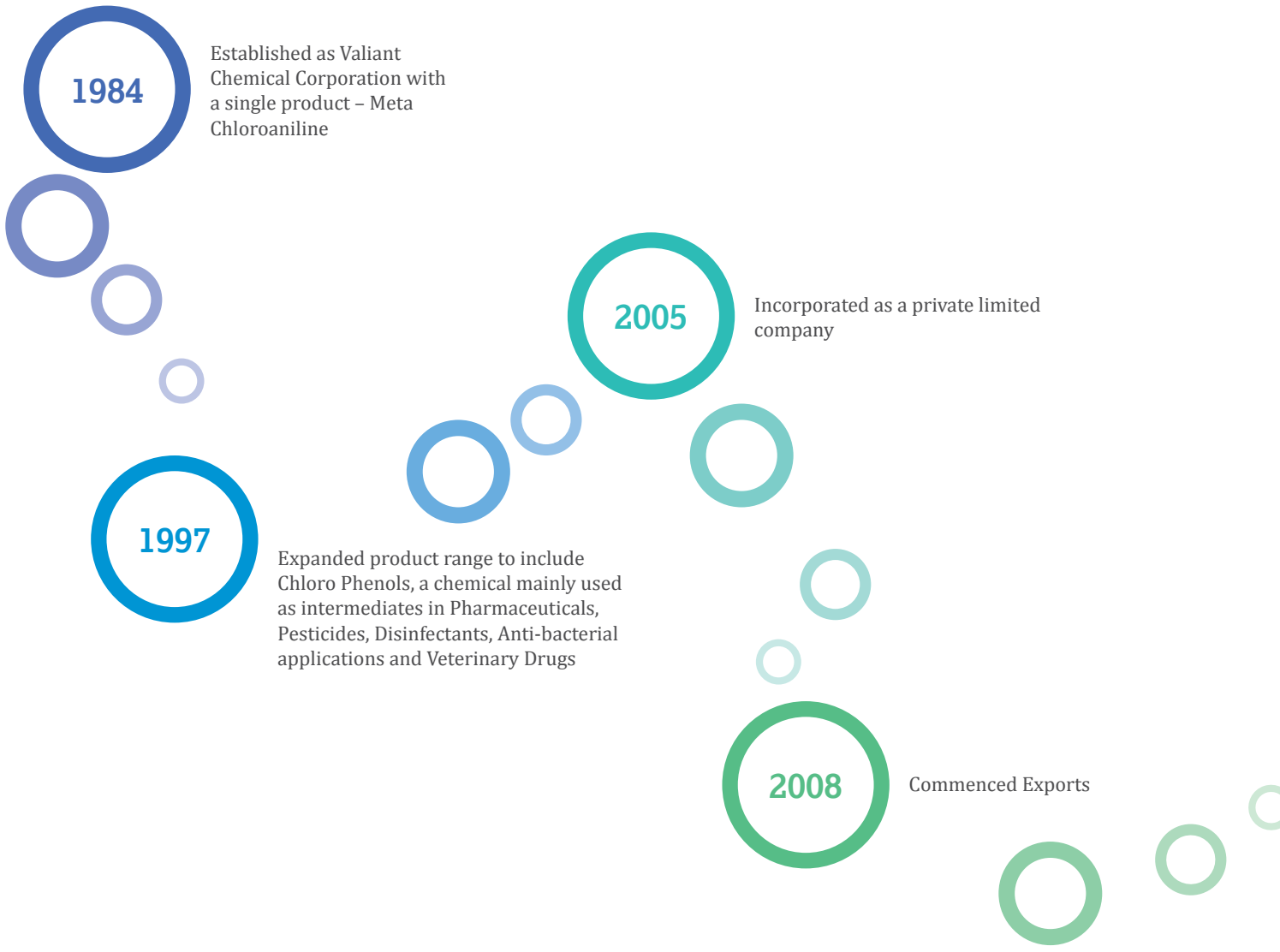
Strong relationships with clients

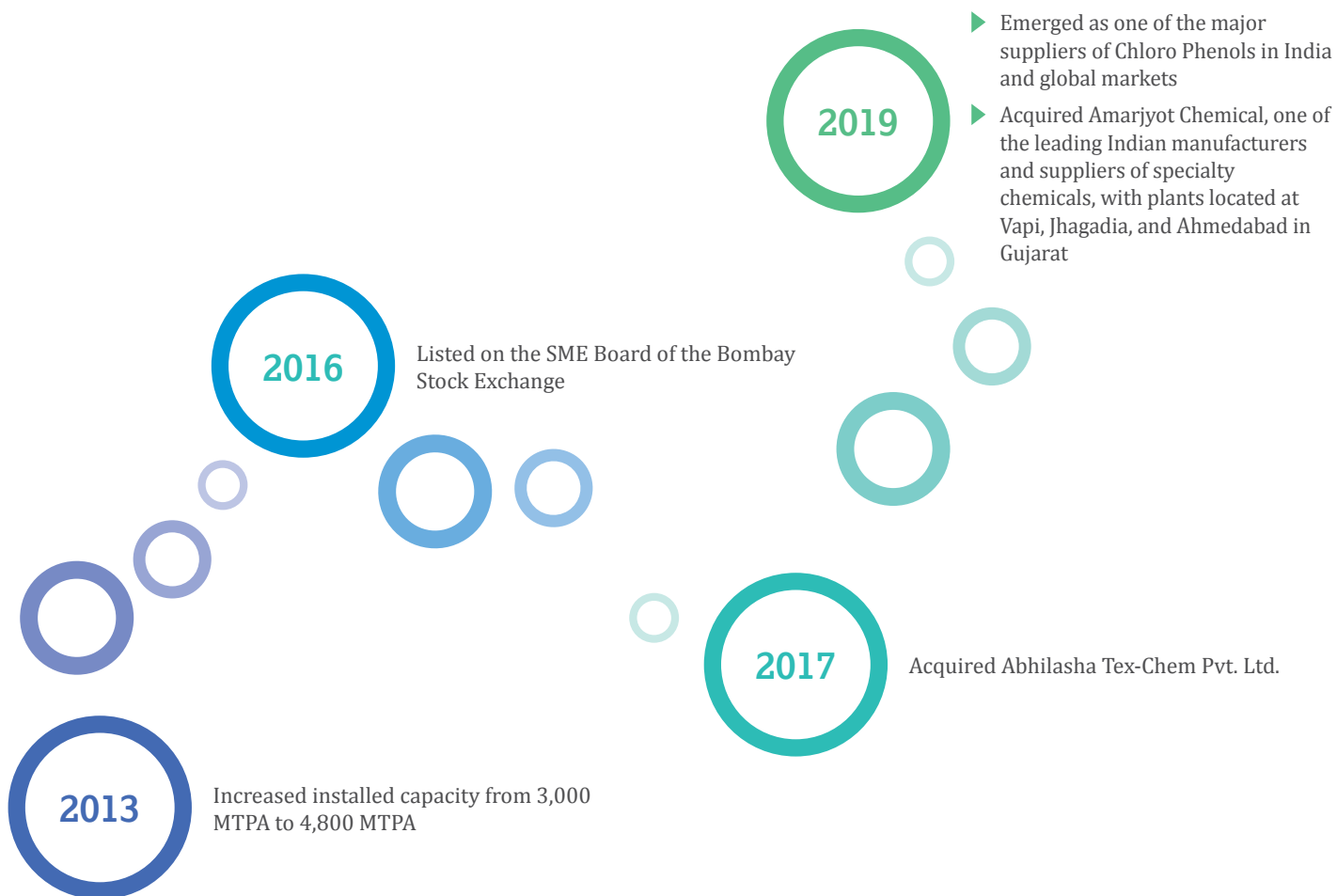
We enjoy multi-year relationships with our clients, and are a preferred supplier for domestic and overseas clients.





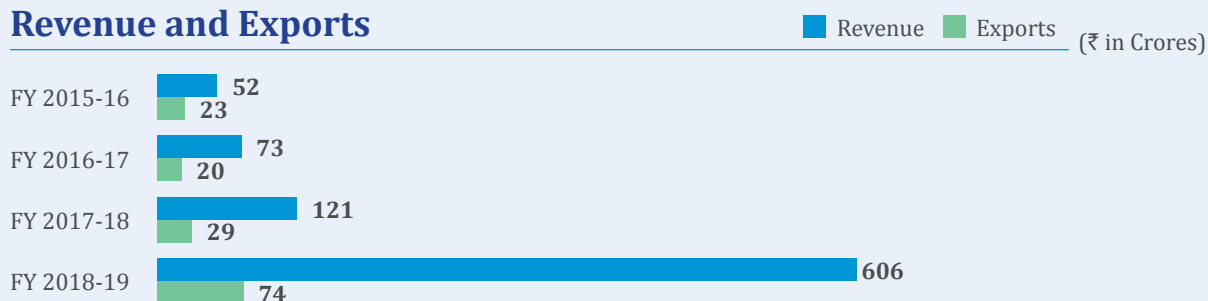
# Our Journey of Evolution



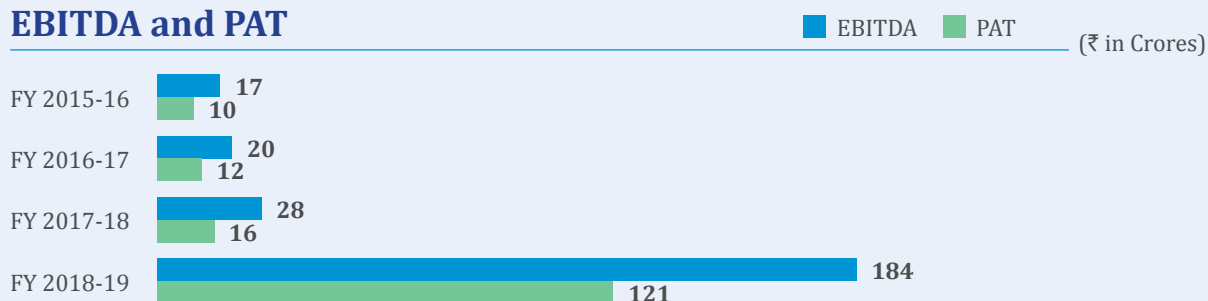


# A Year Focussed on Leaping Forward

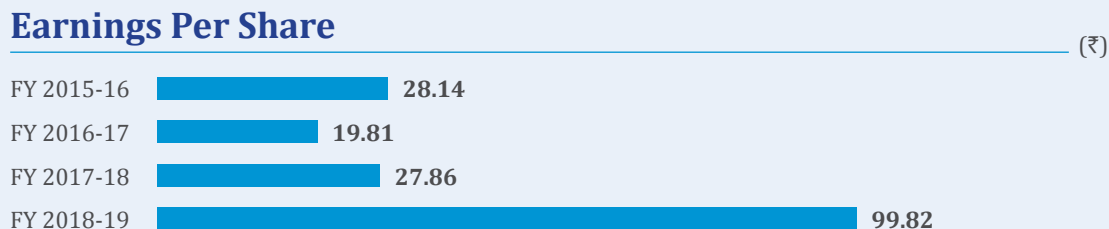
## Revenue and Exports



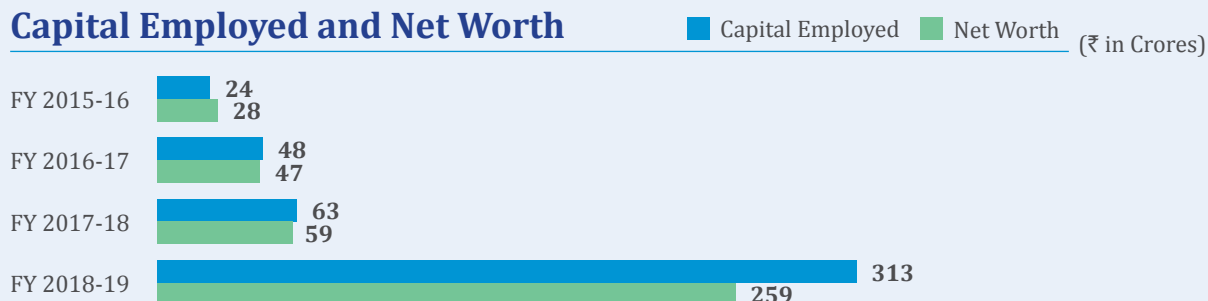
## EBITDA and PAT



## Earnings Per Share



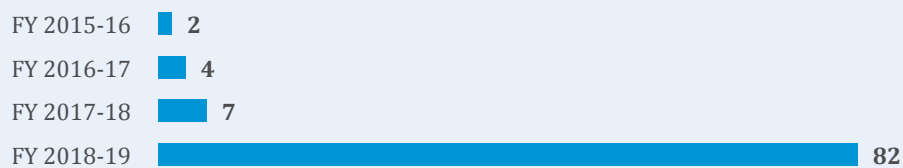
## Capital Employed and Net Worth





## CAPEX

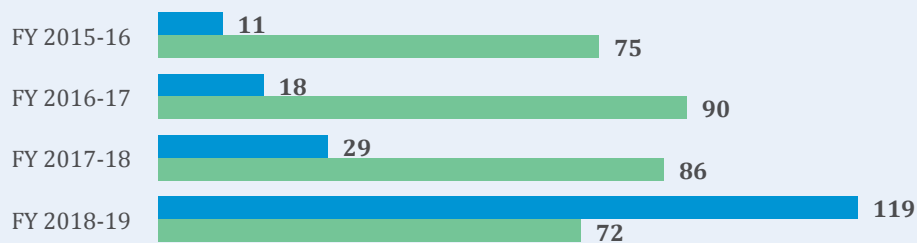
(₹ in Crores)



## Net Working Capital (NWC) & Working Capital Days (WCD)

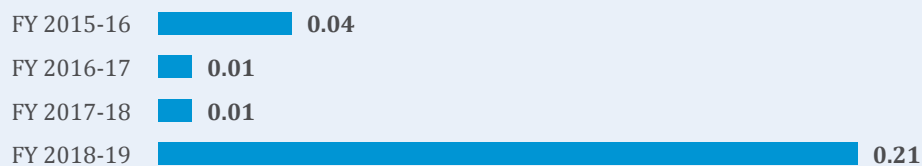
(₹ in Crores)

■ NWC ■ WCD



## Debt Equity Ratio

(X)





## Managing Director's Message

### *Dear Shareholders,*

FY 2018-19 has been an eventful year for Valiant Organics Limited – one of optimism and renewed vigour. During the year, what stood out was our ability to continuously introspect and rapidly execute all the requisite changes, in an agile response to the external and internal environment. That truly made us a pioneer in our own right.



There are multiple factors that fuelled us on our quantum leap forward. Our ability to manufacture a wide variety of products through our highly integrated operations makes us one of the most competitive producers of Chloro Phenols, and products of Ammonolysis, Acetylation, Hydrogenation and Sulphonation. With these, we ably cater to the Indian market, helping the country cut its chemical imports, and thereby contributing to the exchequer.

Also, our ability to cater to diverse sectors and end-user industries means a de-risked and wide-ranging portfolio. Our integrated manufacturing capability gives us economies of scale, making us competitive in the marketplace and enabling us to achieve higher capacity utilisation.

### **Quantum Leap Forward**

In FY 2018-19, we had a record year across all business parameters, generating outstanding returns for our shareholders. We achieved a top line of ₹ 606 Crores, as against ₹ 121 Crores in the previous year, achieving a growth of 402%. Our Net profit was ₹ 121 Crores as against ₹ 16 Crores in the year before, which is higher by 641%. EBITDA increased to 560% to ₹ 184 Crores as compared to ₹ 28 Crores. Our Earnings Per Share increased from ₹ 27.86 to ₹ 99.82 per share during the year. We have a near debt-free balance sheet.

### **Our strategic acquisition**

A key reason for this growth – it would be no exaggeration to call it a stupendous growth – has been an all-share acquisition

of Amarjyot Chemical Limited by way of an NCLT-approved merger. Pursuant to the merger, the shareholders of Amarjyot were issued 72 equity shares and 21 optionally convertible preference shares of Valiant. Amarjyot is one of the leading manufacturers and suppliers of specialty chemicals that find application in the dye, pigment, rubber chemical and polymer industries. The acquisition led us to attain increased manufacturing capacities (3 manufacturing units) and a wide spread of value-added products, positioning us well in the marketplace.

### **Key initiatives**

We are gradually shifting to further value-added products that are mainly import substitutes. This is not only ensuring that we reduce our dependence on imports,

but is also enabling us to generate better margins and stabilise our product pricing.

This is done by churning the product mix in favour of value-added grades and also implementing cost efficiencies. We are also adding value through production of downstream products.

### **Adding capacities**

We are not only reaping the benefits of improved capacity utilisation by harnessing better operating leverage and improving our operating margins, but also are making smart investments to reap their benefits tomorrow. We are scaling our business through judicious investments by way of organic and inorganic growth opportunities.



## » Capacity expansion is leading us to become a significant player in the region with robust financials and healthy bottom line.

Our Chloro Phenol production capacity is being enhanced from the current 4,800 MTPA to 18,000 MTPA by 2020 – which means a nearly four-times rise in capacity within a span of two years. Our new plant at Jhagadia will enable us to launch other new products towards the end of the current financial year. In addition, we have purchased 68,000 sq. metres of land at Sayakha near Dahej, Gujarat, which will be appropriately utilised for future growth.

### Towards value-added products

As part of our strategy to take a bigger market share in specialty chemicals, we are adding capacities, including large-scale expansion of our manufacturing capabilities. This will enable us to manufacture new value-added products in the same value chain, which will be channelled and monetised efficiently and will make our operations highly integrated, more cost-efficient and profitable.

Capacity expansion is leading us to become a significant player with robust financials and maintain a healthy bottom line. This is turning us into a reliable and long-term, high-quality supply chain partner.

### Favourable industry dynamics

Our major Asian rival China's specialty chemicals market has seen a downturn in recent years, for more reasons than one, the most prominent being the introduction of stringent environmental

and safety norms, which have led to the shutdown of several chemical plants. The cost of compliance has increased as well.

The challenges faced by the Chinese companies have opened the doors for Indian chemical manufacturers to invest further in specialty chemicals.

### Growing market for specialty chemicals

The Indian specialty chemicals market is expected to clock a compound annual growth rate of 12-13% over the next five years. In order to take full advantage of the growing market, we have been updating our product mix and introducing additional specialty chemicals in the portfolio.

### Moving ahead

As we move ahead, we remain on a high-growth path and are in a very good position to capture market growth and leverage opportunities in the global market. Through our forward-thinking and strategic approach, we are well positioned to deliver stakeholder value sustainably and become a leading specialty chemical player.

As I conclude, I would like to thank the Board for their guidance, our employees for their efforts, and all other stakeholders for their consistent support and encouragement in our endeavours.

We look forward to your continued and valued association with us.

I take this opportunity to thank our shareholders. We stand firm in our commitment to build a sustainable business that benefits all stakeholders.

Regards,

**Shri Arvind Kanji Chheda**

Managing Director

## Our Board of Directors



**Shri Velji K. Gogri**  
Chairman - Independent Director



**Shri Arvind K. Chheda**  
Managing Director



**Shri Mahesh M. Savadia**  
Director



**Shri Bijal D. Modi**  
Director



**Shri Dinesh S. Shah**  
Director



**Shri Vishnu J. Sawant**  
Director





**Shri Mahek M. Chheda**

Director



**Shri Dattatray S. Galpalli**

Director



**Shri Tukaram P. Surve**

Director



**Shri Mulesh M. Savla**

Independent Director



**Shri Dhirajlal D. Gala**

Independent Director



**Smt. Jeenal K. Savla**

Independent Director

## Our Key Business Strategies

1

### Moving up the value chain

We are moving up the value chain through our unique product portfolio, which gives us a competitive advantage. It also enables us to cater to niche and varied needs of customers from different industries and geographies, thus increasing our viability of becoming a preferred long-term supplier.

### Capitalising on the acquisition of Amarjyot Chemical

In March 2019, we acquired Amarjyot Chemical Limited (ACL), one of the leading manufacturers and suppliers of specialty chemicals, which finds application in the dye, pigment, agro, rubber and refinery sectors. Currently, the Company has three projects in progress at Jhagadia, Gujarat, with a total estimated capital expenditure of ₹ 100 Crores.

### Portfolio acquired from Amarjyot Chemical

<b>Plants</b>	Vapi, Jhagadia and Ahmedabad in Gujarat
<b>Processes</b>	Ammonolysis, Hydrogenation, Sulphonation, Acetylation reactions
<b>Products</b>	<p><b>Dye Intermediates</b> Para Nitro Aniline, Ortho Chloro Para Nitro Aniline, 6 Acetyl OAPSA, Ortho Anisidine, Para Anisidine, and OT5SA, among others</p> <p><b>Intermediates for Pigments</b> 2B Acid, 4B Acid and others</p> <p><b>Agro Intermediates</b> IPPCA, Meta Chloro Aniline, FI Aniline, and others</p>



## Benefiting from forward & backward integration

### Forward Integration

We are forward-integrating and broadening our product value chain. Organic and inorganic growth will lead to the addition of new products in the near and medium term.

### Backward Integration

We are backward-integrating by manufacturing some of the raw materials and reducing our dependence on suppliers.

## Strengthening our portfolio

- ▶ Forward-integrating by adding high-value and high-margin products providing maximum growth
- ▶ Vast array of products demonstrates our technical ability and capability to innovate
- ▶ Instilling confidence in customers to entrust us with manufacturing of newer products
- ▶ Focussing on developing in-house process technology to expand product range
- ▶ Adding new products such as 2,4 D, Ortho Nitro Anisole, Para Nitro Anisole, Ortho Amino Phenol and Para Amino Phenol

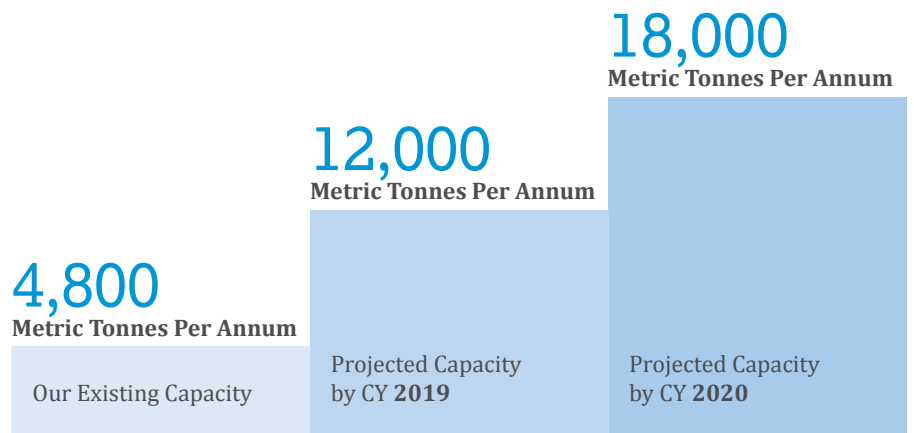


2

## Expanding our production capacities

We have enhanced our production capacities through organic and inorganic growth, and are further augmenting capacities at Sarigam and Jhagadia. This will fortify our market leadership and enable us to meet the growing demand.

Growing capacity of producing Chloro Phenols



### Reaping the benefits of capacity expansion

Expanding capacity to significantly increase product offering

Earning the benefits of economies of scale

Working on three new projects at Jhagadia, with ₹ 100 Crores estimated capex

Acquired 68,000 sq. metres of land at Sayakha, Gujarat, to further expand capacities



3

## Driving operational efficiencies to gain financial strength

With a focus on functional excellence, we implemented several strategic initiatives for operational efficiencies, which steered us towards financial strength and improved performance. We achieved cost reduction, augmented in-house capabilities, and streamlined supply chain management, all of which will play a critical role in future success.

In order to further consolidate our current leadership position and seize new opportunities on domestic and international territories, we are strategising on product range, manufacturing capacity, and cost efficiency. Our products are positioned to be the most competitive, so that we can take a bigger market share in various regions and record sustainable profits.

### Initiatives to attain operational efficiencies

<b>Distributed Control System</b>	<p>Installed Distributed Control System, a state-of-the-art automation system, which enabled us to:</p> <ul style="list-style-type: none"> <li>▶ Maintain consistency in product quality and achieve better volumes;</li> <li>▶ Optimally utilise our assets and improve yields;</li> <li>▶ Cut down on charging time and bringing down total cost.</li> </ul>
<b>Continuous plant running</b>	Leads to continuous product manufacturing, which means better asset utilisation.
<b>Producing in smaller batch size</b>	Our dedicated plant/reactor enables us to manufacture products in smaller batch sizes to cater to specific client requirements, thus building strong business relationships and saving resources.
<b>Continuous thrust on sustainability</b>	<ul style="list-style-type: none"> <li>▶ High-pressure steam from manufacturing processes is converted into power and utilised for plants' running, which reduces power usage and results in cost savings.</li> <li>▶ We follow the eco-friendly process of Hydrogenation (using hydrogen gas) resulting in green chemistry and zero pollution.</li> </ul>
<b>Total commitment to SHE</b>	<ul style="list-style-type: none"> <li>▶ We conduct regular safety training of our employees, with a strong commitment to Safety, Health and Environment (SHE).</li> <li>▶ Of our 5 manufacturing units, 4 are zero liquid discharge units. The Ahmedabad unit is a member of Common Effluent Treatment Plant (CETP).</li> </ul>

4

## Augmenting our manufacturing proficiencies

Our technology and highly integrated manufacturing processes offer optimum capacity utilisation. They put us in a premium position with customers due to consistent quality and punctual product delivery, ensuring an overall robust performance.

### Overview of our production sites

Location	Process	Products
▶ Sarigam	Chlorination	PCP; OCP; 2,4 DCP; 2,6 DCP; 2,4,6 TCP
▶ Tarapur	Ammonolysis	PNA
▶ Vapi	Ammonolysis	PNA, OCPNA
▶ Jhagadia	Hydrogenation	OA, FIA, OT, PT, IPPCA
▶ Ahmedabad	Acetylation	6 Acetyl OAPSA, OA Acetanilide, 4B Acid, OT5SA



# Towards the Next Orbit of Growth

We have gone from strength to strength in the past few years, and are now on an accelerated growth trajectory with enormous potential in the domestic and overseas markets. We are well-positioned to seize opportunities, supported by a robust product portfolio, highly agile manufacturing capabilities, and well-nurtured customer relationships.

We had a spectacular year at Valiant, having delivered profitable growth, posting record volumes, and making significant progress on several initiatives. We increased our production capacities through organic and inorganic routes and also broadened our product range.

Our business model enables us to achieve strong and sustained growth for years to come. We are gaining still more capabilities to manufacture products in alignment with rising market demand. This will cement our market leadership further in India's specialty chemicals industry, and also widen our customer base.

## Newer opportunities

Our customer relationships are helping us to grow geographically and to cater to the anticipated increase in demand for specialty chemicals. This is likely to increase the size and scale of our chemical manufacturing business; it will also significantly increase our product offerings. Augmented production capacities and the recently procured land at Sayakha near Gujarat will enable the manufacturing of more value-added products.

We stand to benefit from the slowdown in the specialty chemicals manufacturing industry in China, using this opportunity to take a bigger slice of the global market for these products.

## Moving forward

We strongly believe that demand for specialty chemicals will grow in India and overseas, fuelled by the estimated growth in their final application industries. As we move forward, our primary focus remains continuing our key strategies and executing production expansion plans. We are leveraging worldwide growth opportunities to increase sales and cross-sales of our products. We shall strive to take Valiant to a new orbit of growth and success.

## On a sustained growth trajectory by:

Broadening product range and manufacturing value-added products	Increasing production capacities	Growing geographically and widening customer base	Catering to anticipated increase in demand	Benefiting from economies of scale
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# Making a Difference

As an organisation, our partnership for progress is not just limited to our customers, but also extends to the community at large. Our approach to Corporate Social Responsibility is focussed on these key areas: empowering women to create sustainable livelihoods; providing better healthcare to rural India; animal welfare; and education and skill development.

## Our key pillars of Corporate Social Responsibility

### A. Women's empowerment

Stitching and craft classes are conducted for local women at Pimpalner village and its surrounding areas in the Beed district of Maharashtra, in association with a local NGO. The initiative teaches them to learn how to make different types of handicraft items and earn a higher income.







**B. Healthcare**

At Valiant, we play a key role in providing state-of-the-art healthcare facilities to several villages across Gujarat. This enables the people in these villages to easily access treatment, eliminating the need to travel long distances to reach city hospitals.

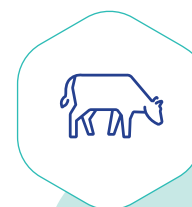
**C. Animal welfare**

During the year, there was a severe drought in Kutch, a district in Northern Gujarat. The huge water deficit led to an arid landscape and immense suffering for the livestock. We joined hands with Shri Odhavji Maharaj Sarvajanic Seva Mandal to provide food, water, medical treatment, and shelter to the animals.



12,050

Number of animals provided welfare



12,025

Number of cows given shelter



# Corporate Information

## CHAIRMAN

**Shri Velji K. Gogri**  
(Independent Director)

## MANAGING DIRECTOR

**Shri Arvind K. Chheda**

## INDEPENDENT DIRECTORS

**Shri Dhirajlal D. Gala**

**Smt Jeenal K. Savla**

**Shri Mulesh M. Savla**  
(Additional Director w.e.f. 20<sup>th</sup> April, 2019)

## CHIEF FINANCIAL OFFICER

**Shri Arvind K. Chheda**

## REGISTERED OFFICE ADDRESS

109, Udyog Kshetra, 1<sup>st</sup> Floor,  
Mulund-Goregaon Link Road,  
Mulund (West) Mumbai – 400 080  
Ph No: 022-25913767/6, 022-67976640/5  
Website: www.valiantorganics.com

## CORPORATE IDENTIFICATION NUMBER

**L24230MH2005PLC151348**

## EXECUTIVE DIRECTORS

**Shri Vishnu J. Sawant**

**Shri Mahek M. Chheda**

**Shri Mahesh M. Savadia**

**Shri Bijal D. Modi**  
(Additional Director w.e.f. 20<sup>th</sup> April, 2019)

**Shri Dinesh S. Shah**  
(Additional Director w.e.f. 20<sup>th</sup> April, 2019)

## NON-EXECUTIVE DIRECTORS

**Shri Dattatray S. Galpalli**

**Shri Tukaram P. Surve**  
(Additional Director w.e.f. 20<sup>th</sup> April, 2019)

## COMPANY SECRETARY

**CS Vyoma M. Vyas**

## REGISTRAR AND SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri (East), Mumbai - 400 059  
Tel No: 022-6263 8200  
Fax No: 022-6263 8299  
Website: www.bigshareonline.com



# Management Discussion & Analysis

## ECONOMIC OVERVIEW

Despite the global economic uncertainties of the recent years, the Indian economy has continued on a robust growth trajectory, remaining one of the most promising in the world. As per the Central Statistics Office (CSO), India's Gross Domestic Product (GDP) grew by 6.8% in FY 2019, lower than the 7.2% economic growth clocked in FY 2018, but still among the best worldwide, when compared to the global growth of 3.2% in 2019. With cheaper fuel and manufactured items, the Wholesale Price Index (WPI) inflation was at around 3% since December 2018, well within the expected limits. During FY 2018-19, WPI inflation came in at 3.18% as against 2.74% in the previous year. Retail inflation was also within the 4% target set by the Reserve Bank of India (RBI), prompting the central bank to initiate three rate cuts in February, April, and June 2019.

### India's GDP performance

	GDP growth in %
FY 2013-14	6.6
FY 2014-15	7.2
FY 2015-16	7.6
FY 2016-17	7.1
FY 2017-18	7.2
FY 2018-19	6.8
FY 2019-20P*	7.3
FY 2020-21P*	7.5

Source: CSO; Estimates for FY 2019-20 and FY 2020-21 are by IMF

\* Projected

The International Monetary Fund (IMF) has estimated that India's economy will reach USD 2,958 Billion in CY 2019, overtaking France and the United Kingdom. This will make it the 5th largest economy in the world. Economic growth is expected to pick up to 7.3% in CY 2019 and further to 7.5% in CY 2020. This was led by lower oil prices and accommodative stance of monetary policy, low inflationary pressures and robust tax collections. India's economy is poised to pick up in CY 2019, driven by the above-mentioned factors. RBI has revised the inflation outlook downwards to 2.9-3% in the first half of CY 2019, and higher at 3.5-3.8% during the second half of the year. The economy is expected to continue on a robust growth path, led by the successful implementation of several Government initiatives such as Smart Cities Mission, Swachh Bharat Mission, Digital India, Make in India, and Jan Dhan Yojana, among others.

Source: CSO, RBI, IMF

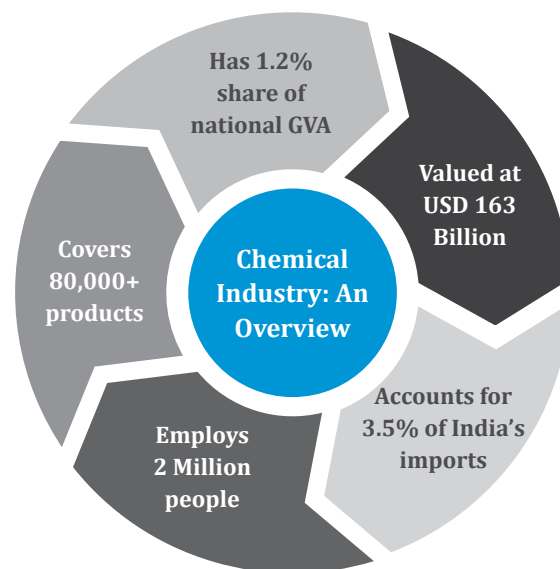
## INDUSTRY OVERVIEW

### India's Chemical Industry

India's chemical industry, valued at USD 163 Billion in FY 2017-18, contributes 3.5% to the global chemical industry. India is

expected to remain one of the fastest-growing countries in the global chemical industry with 9.3% CAGR over FY 2018-25 as against 5.5% globally. It will not only benefit from burgeoning export opportunities, but is also likely to gain from domestic pricing stability following lower dumping from China (because of tighter environmental norms there), and replacement of imports. Further, faster end-user industry growth and low penetration of specialty chemicals are likely to bolster growth.

The chemical industry in India is vital for the industrial and agricultural development of the country. It provides building blocks for downstream industries such as textiles, papers, paints, soaps, and detergents. Covering 80,000-plus products, the chemical industry services a large number of end-use application industries. This industry is estimated to employ more than 2 Million in India.



### Key Challenges

- Threat of cheaper imports and unavailability of raw materials impacting domestic production.
- Lack of Government support in the form of feedstock availability and protection from aggressive imports.
- Lack of fiscal incentives like tax breaks and special incentives to enhance production capacity.
- Updating the product mix and introducing specialty chemicals in the portfolio.
- Lack of accelerated investments in R&D.

## Changing Dynamics

### 1. Shift towards Asia

Traditionally, the European Union (EU) and United States (US) were the key chemical hubs globally. Together, they contributed nearly 40% of the global chemical sales till 2006. However, following the economic crisis of 2008, developing countries started faring better than the relatively mature economies of the West. Over the past decade, the core of the chemical industry has shifted from the West to Asia, with China being the key benefactor. Manufacturers in the Asian region enjoy low labour costs, relatively relaxed environmental norms, and government subsidies.

#### Percentage share in global chemical sales

Country	2000	2010	2017
China	6%	24%	37%
EU	29%	21%	16%
US	28%	17%	13%
Japan	12%	6.5%	4.4%
South Korea	3.2%	3.2%	3.5%
India	1.8%	2.4%	2.9%
Others	19.3%	25.8%	22.9%

### 2. China's chemical industry: New forces driving change

In 2017, China became the fastest-growing major chemical market in the world, accounting for 35-40% of the global chemical sales. Also in 2017, China's chemical industry had around USD 1.5 Trillion of sales, amounting to 37% of the global chemical industry revenue. In the past decade, heavy investments in capacity have put China's chemical industry at the forefront of the world scene. Its growth rate continues to outpace other major chemical-producing regions by far. Growth was largely led by the availability of cheap labour, electricity, lower tax rates, significant export incentives, high operating leverage (since capacities were operating at high utilisation rates), savings due to lower environmental compliance, and low interest cost.

### 3. Changes in China's policies

India has remained in China's shadow for long in the global specialty chemicals market. However, of late, significant regulatory issues by way of tighter pollution norms, labour reforms, etc., have increased China's costs. The Chinese government policy has undergone a shift from 'growth at any price' to 'sustainable growth without impacting environment'. Around 375 polluting Chinese facilities across various manufacturing segments, including dyes and textiles, were shut down in 2014 due to higher cost involved in regulatory compliance. Further, stricter environmental norms were implemented from January 2015, which continue to get stringent. China lost ground in the chemical market due to cost competitiveness; changing global trade dynamics; stringent environmental norms; and rising cost of labour.

### 4. India benefits from changing dynamics

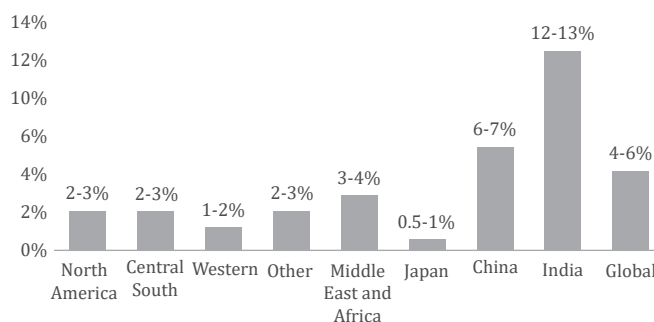
India is emerging as the preferred manufacturing destination for the chemical industry with its improving cost competitiveness, favourable policy framework, and a strong domestic demand outlook. Regulatory changes in China have led to a favourable scenario for Indian players. The country enjoys low capital and operating cost competencies, availability of feedstock and skilled manpower, better manufacturing standards and compliance of regulatory frameworks, strict environment policy in place, and stronger IP protection, among others.

India is gradually gaining market share led by its own structural benefits and the spill-over effect of China's waning competitiveness. As a consequence, import of specialty chemicals from China to India has declined, and Indian manufacturers have started steadily capturing markets in China and other countries. Indian companies focussed on specialty chemicals with better compliance standards are expected to be the top beneficiaries.

#### Growth Drivers for Indian players

The current environment is more conducive for specialty chemical players riding on strong growth opportunities in India and abroad. On one hand, robust growth in end-user industries in India will support domestic growth; on the other hand, the Chinese slowdown and outsourcing from the West will fuel export growth. Commodity chemicals compete on pricing and economies of scale. Application / functional ingredient players will benefit from low penetration of emerging categories in India, but their strong dependency on FMCG / consumer companies is a challenge and may hinder growth prospects. Companies with strong R&D and access to a larger customer base shall have an edge over market rivals.

#### Region-Wise Expected Growth in Specialty Chemicals



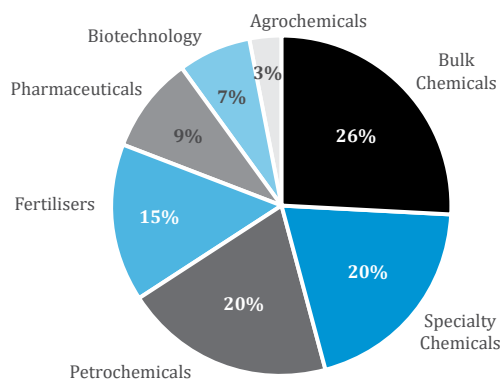
#### Overview of India's Specialty Chemicals Industry

India's chemical industry was valued at USD 163 Billion in 2018, of which the specialty chemical industry stood at USD 35.9 Billion, accounting for ~20% of the chemical industry. Specialty chemicals are targeted at specific end-user applications and



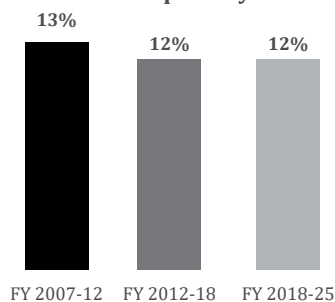
include polymer additives, personal care ingredients, water treatment chemicals, construction chemicals, paints & coatings, colorants, among others. These are R&D-intensive, high-value and low-volume chemicals.

### India's Chemical Industry Breakdown



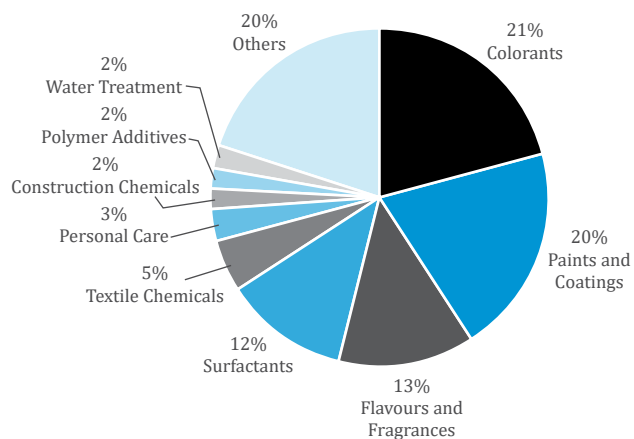
Source: Edelweiss Research

### Estimated Growth in Indian Specialty Chemicals



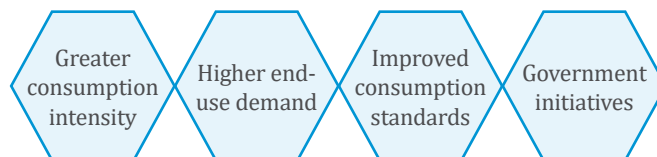
Source: Edelweiss Research

### Specialty Chemicals: Segment Breakdown



Source: Edelweiss Research

### Key Growth Drivers



### Domestic Industry in Capex Mode

In line with the strong growth prospects of end-user industries, increased enquiries from customers, and opportunity to tap growth from domestic markets, exports, and import replacement, India's specialty chemical manufacturers have accelerated their capital expenditure plans. The estimated capex of our specialty chemical universe at ₹ 61.7 Billion over FY 2019-21 is 63% higher than ₹ 37.7 Billion over FY 2016-18.

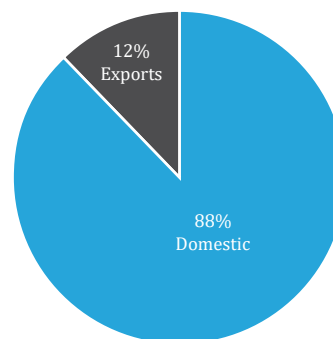
### COMPANY OVERVIEW

Valiant Organics Limited is a chemical manufacturing company with its focus on manufacturing and marketing of specialty chemicals. The products find several applications mainly in the agro-chemical, pharmaceutical, rubber, and dyes and pigment industries, and in the making of veterinary drugs.

Our integrated manufacturing facilities at Sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad manufacture diversified products and offer maximum capacity utilisation.

The business was originally set up in 1984 as a partnership concern under the name of Valiant Chemical Corporation. It was later incorporated as a private limited company in 2005 with the aim of acquiring this partnership firm and, subsequently, the business has been run in our Company. In 2015, the Company was further converted into public limited company.

Guided by decades of manufacturing experience, the Company manufactures products as per the specific requirements of customers and enjoys economies of scale in its production capabilities. Currently, it exports to Asia, Europe, and the USA, and is scouting for more international destinations to supply its products.



## Key Financial Ratios

Key Ratio	UoM	FY 2018-19	FY 2017-18	Increase / (Decrease)	Remarks
Operating Profit Margin	%	28	21	34%	Operating Profit margin for the year under review improved as the Company's products enjoyed better margins.
Debtors Turnover	Times	5.01	3.27	53%	The Company was able to improve its Debtors Turnover Ratio by reducing credit period on some of its products.
Net Profit Margin	%	20	14	48%	Net Profit Margin improved as the Company's products enjoyed better margins.
Return on Net Worth	%	47	28	69%	Return on Net Worth increased due to increase in Profit Margins.

## Manufacturing Capabilities

The Company carries out all of its core manufacturing activities in-house and there is no substantial dependence on job-work or external manufacturing. Its manufacturing unit is fully integrated and self-sufficient. The raw materials and consumables are readily available, ensuring uninterrupted production. Further, all other utilities like fuel, power and human resources have posed no hurdle till date.

## Acquisition of Amarjyot Chemical Limited

The Company engaged in an all-share acquisition of Amarjyot Chemical Limited by way of an NCLT-approved merger order. Pursuant to the merger, the shareholders of Amarjyot are entitled 72 equity shares and 21 Optionally Convertible Preference Shares of Valiant. The erstwhile Amarjyot was one of the leading manufacturers and suppliers of specialty chemicals in India. The acquisition has enabled the Company to profitably increase its manufacturing capacities by virtue of the latter's Jhagadia, Vapi, and Ahmedabad plants, and has added a wide array of value-added products to the Company's portfolio.

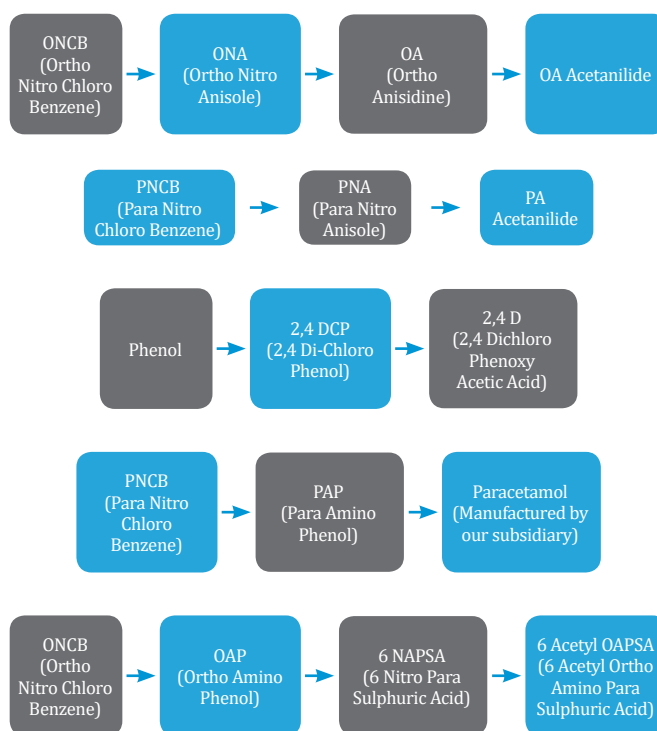
## Capacity Expansion

The Company is undertaking the expansion of its manufacturing capacities at Sarigam and Jhagadia. This will lead to economies of scale and also enable Valiant to become more competitive in the market with better bargaining power. After the acquisition of Amarjyot, the Company has a total of 5 manufacturing facilities at Sarigam (Chlorination), Tarapur (Ammonolysis), Vapi (Ammonolysis), Jhagadia (Hydrogenation), and Ahmedabad (Sulphonation and Acetylation).

The Company is setting up a new plant at Jhagadia. The current capacity of 4,800 MTPA is expected to increase to 12,000 MTPA by the end of CY 2019, and further to 18,000 MTPA by the end of CY 2020. By the end of the expansions at Sarigam and Jhagadia, the Company will have an array of 6-7 new products.

Additionally, the Company has acquired another 68,000 sq. metres of land at Sayakha, Gujarat, for expanding capacities in the future.

## Highly Integrated Operations – Product Value Chain



## Safety, Health, and Environment

The Company is committed to protecting the health and safety of employees working in the manufacturing units and the health and sustainability of the environment in which it operates. With a strong commitment to SHE norms, Valiant conducts regular safety training of the employees. Of our 5 manufacturing units, 4 are Zero Liquid Discharge Units. The Ahmedabad unit is a member of CETP.



### **Risk Management**

As chemicals/specialty chemicals are global commodities, we are subject to the constant risk of currency and commodity cycles. Volatility in crude prices can also significantly impact our earnings, since a large part of raw material/intermediates is crude derivatives. Moreover, uncertainty over China's chemical industry still poses a risk and can affect predictability of earnings.

### **Internal Control Systems**

The Company has a sound and adequate internal control, commensurate with its size and nature of business. We constantly upgrade our systems for incremental improvements, because we firmly believe that change is the only constant, and without

change we cannot progress. We periodically review the systems. These systems ensure protection of assets and proper recording of transactions and timely reporting.

### **Cautionary Statement**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



# Directors' Report

To,  
The Members of,  
**VALIANT ORGANICS LIMITED**

Your Directors have pleasure in presenting the 14th(Fourteenth) Annual Report and the Audited Financial Statements for the year ended March 31, 2019.

## FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from Operations	60,598	12,064
EBIDTA	18,414	2,789
Depreciation and Amortization	1,179	219
Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items	16,591	2,422
Other Income	643	148
Profit/(Loss) Before Finance Costs	17,234	2,570
Finance Costs	149	47
Net Profit/(Loss) Before Tax	17,085	2,523
Total Tax Expenses	4,958	890
Net Profit/(Loss) After Tax	12,127	1,634
Earnings Per Share (₹)	99.82	27.86

### Note:

During the year under review, the Company had proposed a Scheme of Merger by Absorption of 'Amarjyot Chemicals Limited' with the Company ["the Scheme"].

The said scheme was approved by Hon'ble National Company Law Tribunal [NCLT] Mumbai Bench, vide its order dated March 8, 2019 and the said scheme became effective from the appointed date 'October 1, 2017,

The Financials of FY 2018-19, are presented after incorporating the changes pursuant to the said scheme and hence to this extent figures are not comparable with that of previous years.

## FINANCIAL PERFORMANCE

During the year under the review, Revenue from operations of the Company stood at ₹ 60,598 Lakhs as compared to ₹ 12,064 Lakhs for the last year. The Company has achieved export sales of ₹ 7,394 Lakhs as against ₹ 2,862 Lakhs for the last year. Net Profit after Tax (PAT) for the financial Year 2018-19 is ₹ 12,127 Lakhs as compared to last year of ₹ 1,634 Lakhs. EPS surged to ₹ 99.82 for FY 2018-19 as compared to ₹ 27.86 per share for FY 2017-18.

The Consolidated Total income for FY 2018-19 was ₹ 69,230 Lakhs, Earnings before Interest Depreciation and Taxes of the Company was at ₹ 18,853 Lakhs in FY 2018-19. Similarly, Net Profit after consolidation was at ₹ 12,127 Lakhs. Likewise, Consolidated EPS was ₹ 99.82 for FY 2018-19.

## DIVIDEND

Based on the Company's Performance your Directors are pleased to recommend a Final Dividend of ₹ 7 (Rupees Seven Only) per Equity Share (@ 70%) per share (of ₹ 10/- each). The dividend payout for the year would be ₹ 8,50,44,526.

The total dividend outlay (including Interim Dividend of ₹ 5/- per equity shares) for FY 2018-2019 will be ₹ 12/- per share.





## TRANSFER TO RESERVES

Your Company has transferred ₹ 13,05,27,082 to General Reserves for the FY 2018-19.

## SHARE CAPITAL

The Issued capital of the Company has increased to ₹ 14,36,63,050 pursuant to the Scheme with an allotment of additional shares on May 4, 2019 as under;

Shares	Before Allotment	Allotment on May 4, 2019	Post Allotment
Equity Shares of ₹ 10 each	58,64,350	62,84,868	1,21,49,218
Optionally Convertible Preference Shares of ₹ 10/- each	-	18,33,087	18,33,087
Redeemable Non-Cumulative Preference Shares of ₹ 100/- each	-	38,400	38,400

Your Company has received Listing and Trading approval for the newly issued Equity shares on June 7, 2019. Listing application for optionally convertible preference shares is in the process at BSE Limited, whereas Redeemable non-cumulative preference shares are not be listed on the exchange as per the Scheme.

Apart from the above, there was no change in the Share Capital of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section forming part of the Annual Report.

## CORPORATE GOVERNANCE

Since the Company is listed on SME platform of BSE Limited, hence the provisions of regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulation, 2015 are not applicable to the Company.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### A) CONSERVATION OF ENERGY

#### a) The steps taken on conservation of energy

The company has converted its distillation operations at a Plant from Batch to continuous mode, thereby reducing energy requirement per unit of output.

#### b) The capital investment on energy conservation equipment's

The Company has invested ₹ 4.5 crores (approx) on energy conservation equipment's during the year.

### B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The company has automated its operations at Sarigam plant by installation of Distributed Control System (DCS). This will result into Safe operations and increased production.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings: - ₹ 7,394 Lakhs (Previous Year: ₹ 2,862 Lakhs)

Foreign Exchange Outgo: ₹ 5,871 Lakhs (Previous Year: ₹ 1,749 Lakhs)

## BOARD OF DIRECTORS / KEY MANAGERIAL PERSONNEL

The Composition of the Board is in conformity with the provisions of section 149 of the Companies Act, 2013. The Board comprises of 12 (Twelve) Directors out of which 6 (Six) are executive Directors, 2 (Two) Non- executive Directors and 4 (Four) Independent Directors. The Chairman of the Board is an Independent Director.

The following changes were made to reconstitute the Board of Directors effective from April 20, 2019

Sr	Name	DIN	Category	Changes w.e.f. April 20, 2019 Subject to approval of the Shareholders in 14th Annual General Meeting
1	Shri Velji K. Gogri	02714758	Independent	Appointed as Chairman
2	Shri Arvind K. Chheda	00299741	Executive	Appointed as Managing Director
3	Shri Mahesh M. Savadia	00128389	Executive	-
4	Shri Vishnu J. Sawant	03477593	Executive	-
5	Shri Mahek M. Chheda	06763870	Executive	-
6	Shri Dinesh S. Shah	00345641	Executive	Appointed as Whole Time Director
7	Shri Bijal D. Modi	00616848	Executive	Appointed as Whole Time Director
8	Shri Dattatray S. Galpalli	01853463	Non-Executive	-
9	Shri Tukaram P. Surve	07121918	Non-Executive	Appointed as Non-Executive Director
10	Shri Mulesh M. Savla	07474847	Independent	Appointed as Independent Director
11	Shri Dhirajlal D. Gala	07552111	Independent	-
12	Shri Jeenal K. Savla	07545244	Independent	-

Present term of Shri Dhirajlal D. Gala (DIN: 07552111) and Smt Jeenal Savla (DIN: 07545244) Independent Directors of the Company expired on June 30, 2019. Your Directors, on recommendation of the Nomination and Remuneration Committee, have appointed them as additional Directors in the category of Independent Directors effective from July 1, 2019 and would be made and confirmed for a second term of three years. Your Directors recommend for your approval by way of Special resolution at ensuing Annual General Meeting (AGM).

Your Directors, on recommendation of the Nomination and Remuneration Committee, considered appointment of Shri Mulesh M. Savla (DIN: 07474847) as an Independent Director for a period of three years effective from April 20, 2019, Your Directors recommend for your approval by way of Ordinary Resolution at the ensuing Annual General Meeting (AGM).

Present term of Shri Vishnu J. Sawant (DIN: 03477593) Whole-time Director of the Company expired on June 30, 2019 and Your Directors, on recommendation of the Nomination and Remuneration committee have considered his re-appointment for a period of Five Years with effect from July 1, 2019. Your Directors recommend for your approval at ensuing Annual General Meeting (AGM).

Upon the recommendation of Nomination and Remuneration Committee and subject to approval by the shareholders at

General Meeting, Shri Arvind K. Chheda (DIN: 00299741) was re-designated as the Managing Director for a period of 5 (five) years effective from April 20, 2019.

Shri Hemchand L. Gala had resigned from the office of the Managing Director effective from April 20, 2019 on account of his personal other commitments. The Board placed on record its appreciation for his valuable contribution to the Company.

### Retirement by rotation

Shri Mahek M. Chheda (DIN: 06763870) Shri Dattatray S. Galpalli, Non-Executive Director (DIN: 01853463) are liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for re-appointment. The Board recommends their re-appointment for the consideration of the members, Brief profiles of Shri Mahek M. Chheda and Shri Dattatray S. Galpalli have been given in the notice convening 14th Annual General Meeting.

### Independent Directors

Independent Directors have given written declarations to the Company confirming that they meet the criteria of the independence as mentioned under section 149 (6) of the Companies Act, 2013.



## MEETINGS OF THE BOARD

During the year 5 (Five) meetings of Board of Directors and 1 (one) meeting of Independent Directors were held.

### Details of Board meetings held during the Financial Years 2018-19 and attendance of the Directors;

Members	Category		I	II	III	IV	V
		Date	12-Apr-18	28-May-18	08-Aug-18	04-Nov-18	29-Jan-19
		Venue	Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
Shri Hemchand L. Gala <sup>@</sup>	Chairman and Managing Director	5	√	√	√	√	√
Shri Arvind K. Chheda <sup>#</sup>	Whole time Director	5	√	√	√	√	√
Shri Vishnu J. Sawant	Whole time Director	2	√	√	-	-	-
Shri Mahek M. Chheda	Whole time Director	4	√	√	-	√	√
Shri Mahesh M. Savadia	Whole time Director	3	√	√	-	√	-
Shri Dattatray S. Galpalli	Non-Executive Director	2	√	√	-	-	-
Shri Dhirajlal D. Gala	Independent Director	4	√	√	√	√	-
Smt Jeenal K. Savla	Independent Director	2	√	-	√	-	-
Shri Velji K. Gogri	Independent Director	3	√	√	√	-	-

@ Shri Hemchand L. Gala has resigned from the directorship w.e.f. April 20, 2019.

# Shri Arvind K. Chheda has been appointed as the Managing Director w.e.f. April 20, 2019.

## BOARD EVALUATION

Pursuant to the provisions of the Companies act, 2013, a structured questionnaire was prepared after taking into consideration, various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## COMMITTEES OF THE BOARD

During the year, your Directors have constituted or re-constituted Committees as required, the following committees of the Board in accordance with the requirements of the Companies Act, 2013. The composition, terms of reference and other details of all Board level Committees have been elaborated in the report.

### 1) AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013. The chairman of the Committee is an Independent Director. Composition of Audit Committee and details of Meetings held during the year are as under:

#### Composition of Audit Committee and Number of Meetings during the year:

Members	Category		I	II	III	IV	V
		Date	12-Apr-18	28-May-18	08-Aug-18	04-Nov-18	29-Jan-19
		Venue	Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
Shri Dhirajlal D. Gala (Chairman)	Independent Director	5	√	√	√	√	√
Smt Jeenal K. Savla (Member)	Independent Director	4	√	--	√	√	√
Shri Hemchand L. Gala (Member)	Chairman and Managing Director	5	√	√	√	√	√

Audit Committee has been reconstituted with effect from April 20, 2019 as under:

Sr. No.	Name	Designation
1	Smt Jeenal K. Savla	Chairman (Independent Director)
2	Shri Dhirajlal D. Gala	Member (Independent Director)
3	Shri Arvind K. Chheda	Member
4	Shri Mulesh M. Savla	Member (Independent Director)
5	Shri Bijal D. Modi	Member
6	Shri Velji K. Gogri	Member (Independent Director)

### Terms of Reference

The Audit Committee inter-alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal control system, discussion on financial results, interaction with statutory and Internal Auditors, recommendation for appointment of Statutory and Cost Auditors and their remuneration, recommendation of the appointment and remuneration of Internal Auditors, review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, approval, review of related party transactions and scrutiny of inter corporate loans and investments.

In fulfilling the above role Audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

## 2) NOMINATION AND REMUNERATION COMMITTEE:

The committee has been formed as per the provisions Section 178 of the Companies Act, 2013, comprising of 3 (Three) Independent Directors.

Committee has been reconstituted lastly with effect from April 20, 2019 as under:

Sr. No.	Name	Designation
1	Shri Mulesh M. Savla	Chairman
2	Shri Velji K.Gogri	Member
3	Smt Jeenal K. Savla	Member

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as includes:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### Nomination and Remuneration Policy

The Board of Directors on recommendation of Nomination and Remuneration Committee has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The details of this policy are given below:-

#### a) Criteria and Qualification for Nomination & Appointment

A person to be appointed as Director, KMP or at Senior Management level should possess adequate and relevant qualification, expertise and experience for the position that he/she is being considered for.

#### b) Policy on Remuneration

The Company's Remuneration policy considers human resources as its invaluable assets, to pay equitable remuneration to all directors, key managerial personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration policy for all the employees are designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

#### c) Whole-time Directors

The Company remunerates its Whole-time Director's by way of salary, perquisites and allowances and variable commission based on performance of the Company. Remuneration is paid within the limits recommended by the Nomination & Remuneration Committee and as approved by the shareholders upon the recommendation to the Board, within the stipulated limits of the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Whole-time Director is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance.

**d) Non-executive Directors**

Non-executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Companies Act, 2013 and the rules made thereunder.

**e) Key Managerial Personnel and other senior employees**

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

**3) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Committee has been formed pursuant to provisions of Section 178 of the Companies Act 2013 lastly reconstituted w.e.f. April 20, 2019, comprising of members as under;

Sr. No.	Name	Designation
1	Shri Mulesh M. Savla	Chairman (Independent Director)
2	Shri Dhirajlal D. Gala	Member (Independent Director)
3	Shri Arvind K. Chheda	Member (Executive Director)

**Terms of Reference:**

The terms of reference of the Committee inter-alia cover reviewing status of approval of transfer/transmission of shares, issue of duplicate certificates, non-receipt of annual report, non-receipt of declared dividends and specifically review/redressal of Investors' Grievances.

**4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

Pursuant to Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board has constituted the Corporate Social Responsibility (CSR) Committee with three members, out of which 2(two) are Executive Directors and 1 (one) is an Independent Director. The Committee has been re-constituted lastly w.e.f. April 20, 2019 as under;

Sr. No.	Name	Designation
1	Shri Velji K. Gogri	Chairman (Independent Director)
2	Shri Bijal D. Modi	Member (Executive Director)
3	Shri Arvind K. Chheda	Member (Executive Director)

**Terms of Reference**

The terms of reference of the CSR Committee includes:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

CSR annual report is annexed as "Annexure - A" and forms an integral part of the Report.

**NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working with the Company. The Company has constituted an Internal Complaint Committee pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places.

Your Directors further states that during the year under review, there was no complaint filed pursuant to the above Act.

**PERSONNEL**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Pursuant to the scheme of Merger the Company has issued and allotted additional 62,84,868 equity shares of ₹ 10/- each, 18,33,087 Optionally Convertible Preference Shares of ₹ 10/-



each and 38,400 Redeemable Non-Cumulative Preference Shares of ₹ 100/- each respectively to the shareholders of Amarjyot Chemical Limited (Transferor Company).

### **CHANGE IN NATURE OF BUSINESS, IF ANY**

There are no material changes in the nature of business of the Company during the year under consideration.

### **AUDITORS**

#### **STATUTORY AUDITORS & THEIR REPORT:**

At the 13th Annual General Meeting (AGM) of the Company held on September 29, 2018 M/s Gokhale and Sathe, Chartered Accountants (Firm Regn. No. 103264W) were appointed as Statutory Auditors of the Company to hold the office till the conclusion of 18th Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any reservation, qualification or adverse remark. The comments in the Auditors' Report to the Shareholder's for the year under review are self-explanatory and does not need further explanation.

#### **COST AUDITOR & THEIR REPORT**

Your Directors had, on the recommendation of the Audit Committee, re-appointed Smt. Ketki Damji Visarya (ICWAI M. No. 16028), Cost Accountants as the Cost Auditors to audit the cost records of the Company for the year 2019-20.

As required under the Companies Act, 2013, a resolution seeking member's approval for ratification of remuneration payable to the Cost Auditor of the Company forms part of the Notice convening the 14<sup>th</sup> Annual General Meeting.

#### **SECRETARIAL AUDITOR & THEIR REPORT**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report for the financial year ended March 31, 2019 issued by CS Sunil M. Dedhia, Proprietor of Sunil M. Dedhia & Co., Practicing Company Secretaries. The Secretarial Audit Report of the Company is annexed as "Annexure - B" and forms an integral part of this Report.

### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, Auditors, have not reported any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board's Report.

### **RISK MANAGEMENT**

The Company implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that a robust system on risk controls and mitigation is in place. Senior management periodically

reviews this risk management framework to keep update and address emerging challenges.

Risk management system followed by the Company is elaborately detailed in the Management Discussion and Analysis report forming the part of this Annual Report.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provide for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is annexed with the Independent Auditors' Report.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and at an arm's length basis and did not attract approvals under the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Disclosures as required by the Accounting Standard (AS 18) have been made in the notes to the Financial Statements.

### **VIGIL MECHANISM / WHISTLEBLOWER POLICY:**

In conformity with the provisions of the Companies Act, 2013 policy has been laid down to provide a mechanism for any concerned person of the Company to approach Chairman of the Audit Committee for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistle blowers are protected from retribution, whether within or outside the organization.

### **PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:**

Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



## DEPOSITS

The Company did not have any deposits at the beginning of the year under review and the Company has neither accepted nor renewed any deposits during the year under review. The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

## ANNUAL RETURN

The details forming part of the extract of Annual Return in the Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in the Report as “Annexure - C” and forms an integral part of the Report.

## SUBSIDIARY

Pursuant to Merger of Amarjyot Chemical Limited with the Company, Dhanvallabh Venture LLP, Subsidiary of Amarjyot Chemical Limited is now the subsidiary of Valiant Organics Limited. The Company has attached along with its financial statements, a separate statement containing the salient features of the financial statements of the said subsidiary in “Form AOC-1” which is annexed as “Annexure - D”. The Company does not have any other material subsidiary. As stipulated under the provisions of the Listing Regulations, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statement together with Auditors’ Report forms part of the Annual Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going Concern status of the Company and its future operations.

## REGISTRAR AND TRANSFER AGENT

M/s. Bigshare Services Private Limited continue to act as Registrar and Transfer Agent (RTA) of the Company.

## INSIDER TRADING CODE

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct to Regulate, monitor and Report trading by insiders.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has adopted adequate policies and procedures for ensuring the orderly and efficient conduct of its business, including policies for Safeguarding of Assets, Prevention & Detection of Errors & Frauds, for accurate and complete

presentation of accounting records and the timely preparation of reliable financial information.

## SECRETARIAL STANDARDS

During the year, your company has complied with all the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (ICSI).

## DIRECTORS’ RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That 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 and of the profit and loss of the company for that period;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That Directors’ have 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;
- 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.

## GREEN INITIATIVE

Your Company has adopted green initiative to minimize the impact on the environment. The Company has been circulating the copy of Annual Report in electronic form to all shareholders whose email addresses are available with the company. Your Company appeals other members to also register themselves for receiving Annual Report in electronic form.



### **ACKNOWLEDGEMENT**

The Board of Directors places on record its sincere appreciation for the services rendered by the employees at all levels. Your Directors would also express their grateful appreciation for the support and co-operation extended by the Shareholders, Government Authorities, Auditors, financial institutions, Customers, Suppliers, business associates and all other stakeholders.

For and on Behalf of Board

Sd/-  
**ARVIND K. CHHEDA**  
MANAGING DIRECTOR

Place: Mumbai  
Date: August 20, 2019

Sd/-  
**MAHEK M. CHHEDA**  
WHOLETIME DIRECTOR

### **CAUTIONARY STATEMENT**

Statement in the Annual Report describing the Company's objectives, projections, expectations and estimates regarding future performance may be "Forward Looking Statements" and are based on currently available information. The Management believes these to be true to the best of its knowledge at the time of preparation of this Report. However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those which may be indicated in such statements.



**ANNEXURE “A”****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web - link to the CSR policy and projects or programs and the Composition of CSR Committee.	The CSR policy approved by the Board of Directors has been uploaded on the Company's website. The web link is <a href="http://www.valiantorganics.com/CSRPolicy.pdf">http://www.valiantorganics.com/CSRPolicy.pdf</a>
2	Composition of CSR committee	Shri Dhirajlal D. Gala (Independent Director) Shri Hemchand L. Gala (Executive Director) Shri Arvind K. Gala (Executive Director)
3	Average net profit of the Company for last three financial years	₹ 19.62 Crores
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 39.24 Lakhs
5	Details of CSR spent during the financial year	
	Total amount to be spent for the financial year	₹ 39.24 Lakhs
	Amount unspent, if any	Nil
	Manner in which the amount spent during the financial year	Details given below

Sr. No.	Projects/ Activities	Sector in which project is undertaken	Locations where project is undertaken (Local Area/District)	Amount Outlay (Budget) Project or Programs Wise (₹ in Lakhs)	Amount Spent on the project or programs. Sub-heads 1. Direct Expenditure on Projects or Programs 2. Overheads (₹ in Lakhs)	Cumulative Expenditure upto the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency*
1	Education & Skill Development	To held in education of needy	Mumbai & Gujarat	19.50	19.50	19.50	Indirect
2	Health Care	Hospital and Medical Colleges	Mumbai & Gujarat	5.45	5.45	5.45	Indirect
3	Animal Welfare	Draught effected areas	Beed (Maharashtra) & Kutch (Gujarat)	60.25	60.25	60.25	Indirect
4.	Social Welfare	To be held in areas of relief of poor, and differently abled people	Mumbai (Maharashtra)	3.00	3.00	3.00	Indirect
5.	Women Empowerment	Promoting Women welfare	Mumbai & Gujarat	9.55	9.55	9.55	Indirect
<b>Total</b>				97.75	97.75	97.75	Indirect

**\* Details of implementing Agency:**

1. Everest Medical Technology, 2. Kutchi Jain Foundation, 3. Matruvandana, 4. KVO Drashtri Foundation, 5. Shree Siddhivinayak, 6. Breach Candy Hospital Trust, 7. Sanskrit Vikas Mandal, 8. Shree Tera Panjrapore, 9. Heena Luggage Centre, 10. Adivasi Kanya Kelvani Trust, 11. NFBM Jagriti School for Blind Girls, 12. Shri V. M. Gaushala Panjarapole, 13. Shree Bhujpur Panjarapole.

(The CSR expenditure includes CSR activates undertaken by erstwhile Amariyot Chemical Limited)

The CSR Committee Chairman confirms that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of your Company.

For and on Behalf of Board

Sd/-  
**ARVIND K. CHHEDA**  
MANAGING DIRECTOR

Sd/-  
**MAHEK M. CHHEDA**  
WHOLETIME DIRECTOR

Place: Mumbai  
Date: August 20, 2019



## ANNEXURE “B”

### FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

**(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To,  
The Members,  
Valiant Organics Limited  
(CIN: L24230MH2005PLC151348)  
109, Udyog Kshetra, 1st Floor,  
Mulund Goregaon Link Road,  
Mulund (W), Mumbai 400080

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018 (Not applicable to the Company during Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during Audit Period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



(vi) Other Laws applicable specifically to the Company, identified and confirmed by the Company and relied upon by me are as under:

- (a) Explosives Act, 1889;
- (b) Air (Prevention and Control of Pollution) Act 1981;
- (c) Water (Prevention and Control of Pollution) Act 1974;
- (d) The Noise (Regulation and Control) Rules 2000;
- (e) Environment Protection Act, 1986 and other environmental laws
- (f) Public Liability Insurance Act, 1991;
- (g) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- (h) The States Shops and Establishments Acts;
- (i) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the Audit Period under review, and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that:

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

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

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

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates taken on record by the Board of Directors of the Company, in my opinion, 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 under review, the Scheme of Merger between the Company and Amarjyot Chemical Limited with an Appointed Date 1st October, 2017 was approved vide National Company Law Tribunal order dated 8th March, 2019 and except this, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

This report is to be read with my letter of even date which is annexed as Appendix - I and forms an integral part of this report.

**CS Sunil M. Dedhia**

Proprietor, **Sunil M. Dedhia & Co.**

Company Secretaries

FCS No: 3483 C.P. No. 2031

Place: Mumbai

Date: August 20, 2019



## APPENDIX - I

To,  
The Members,  
Valiant Organics Limited  
(CIN: L24230MH2005PLC151348)  
109, Udyog Kshetra, 1st Floor,  
Mulund Goregaon Link Road,  
Mulund (W), Mumbai 400080

My report of even date is to be read along with this letter.

### MANAGEMENT'S RESPONSIBILITY

- (1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

### AUDITOR'S RESPONSIBILITY

- (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 appropriate of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

### DISCLAIMER

- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai  
Date: August 20, 2019

**CS Sunil M. Dedhia**  
Proprietor, **Sunil M. Dedhia & Co.**  
Company Secretaries  
FCS No: 3483 C.P. No. 2031

**ANNEXURE “C”****FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN****As on the financial year ended on March 31, 2019**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L24230MH2005PLC151348
ii)	Registration Date	February 16, 2005
iii)	Name of the Company	Valiant Organics Limited
iv)	Category / Sub-Category of the Company	Public Company Ltd. by Shares/ Non-Government Company.
v)	Address of the Registered office and contact details	109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road Mulund (w) Mumbai MH 400080 Telephone : +91 22-67976640/5 Fax : +91-22-25913765 Email id : investor@valiantorganics.com Website : www.valiantorganics.com
vi)	Whether listed company	Yes on BSE Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Pvt. Ltd 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 Tel No- 022 62638200 Fax No- 022 62638299 Website : www.bigshareonline.com

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Chemicals for Agro Intermediate and Pharma	19201	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Dhanvallabh Venture LLP 71, Udyog Kshetra, 1st Floor, Mulund Goregaon Link road, Mulund (W), 400080	AAA-9228	Subsidiary	65	2(87)



#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1884861	907389	2792250	47.61	2470236	0	2470236	42.12	-5.49
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Trust	0	0	0	0.00	225000	0	225000	3.84	+3.84
<b>Sub-total (A) (1):-</b>	<b>1884861</b>	<b>907389</b>	<b>2792250</b>	<b>47.61</b>	<b>2695236</b>	<b>0</b>	<b>2695236</b>	<b>45.96</b>	<b>-1.65</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A)(2)</b>	<b>1884861</b>	<b>907389</b>	<b>2792250</b>	<b>47.61</b>	<b>2695236</b>	<b>0</b>	<b>2695236</b>	<b>45.96</b>	<b>-1.65</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	68700	0	68700	1.17	42600	0	42600	0.73	-0.44
b) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FII's	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
l) Other (Specify) Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>68700</b>	<b>0</b>	<b>68700</b>	<b>1.17</b>	<b>42600</b>	<b>0</b>	<b>42600</b>	<b>0.73</b>	<b>-0.44</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	230700	0	230700	3.93	124803	0	124803	2.13	-1.80
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	433121	0	433121	7.39	584019	0	584019	9.96	+2.59
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	997359	1316641	2314000	39.46	2299161	86122	2385283	40.67	+1.21
c) Others (specify)									
(i) Non Resident Indians Non Repatriable	4200	0	4200	0.07	5250	0	5250	0.09	+0.02
(ii) Non Resident Repatriable	7200	0	7200	0.12	7500	0	7500	0.13	+0.01
(III) Clearing Member	7579	0	7579	0.13	19659	0	19659	0.34	+0.21
(iv) Qualified Foreign Investor	6600	0	6600	0.11	0	0	0	0.00	-0.11
<b>Sub-total (B)(2):-</b>	<b>1686759</b>	<b>1316641</b>	<b>3003400</b>	<b>51.22</b>	<b>3040392</b>	<b>86122</b>	<b>3126514</b>	<b>53.31</b>	<b>+2.09</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1755459</b>	<b>1316641</b>	<b>3072100</b>	<b>52.39</b>	<b>3082992</b>	<b>86122</b>	<b>3169114</b>	<b>54.04</b>	<b>+1.65</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>3640320</b>	<b>2224030</b>	<b>5864350</b>	<b>100.00</b>	<b>5778228</b>	<b>86122</b>	<b>5864350</b>	<b>100.00</b>	<b>0.00</b>



## ii) Shareholding of Promoters

S R. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Manisha R. Gogri	761329	12.98	0.00	709129	12.09	0.00	-0.89
2.	Arti R. Gogri	548521	9.35	0.00	291721	4.97	0.00	-4.38
3.	Arvind K. Chheda	427738	7.29	0.00	427738	7.29	0.00	0.00
4.	Jaya C. Gogri	329300	5.62	0.00	320336	5.46	0.00	-0.16
5.	Vicky H. Gala	286930	4.89	0.00	286930	4.89	0.00	0.00
6.	Mirik R. Gogri	258967	4.42	0.00	252967	4.31	0.00	-0.11
7.	Dhanvanti H. Gala	74970	1.28	0.00	74970	1.28	0.00	0.00
8.	Hemchand L. Gala	74928	1.28	0.00	74928	1.28	0.00	0.00
9.	Pooja R. Gogri	28667	0.49	0.00	28667	0.49	0.00	0.00
10.	Chandrakant V. Gogri	300	0.01	0.00	2550	0.04	0.00	+0.03
11.	Rashesh C. Gogri	300	0.01	0.00	300	0.01	0.00	0.00
12.	Hetal Gogri Gala	300	0.01	0.00	0	0	0.00	-0.01
13.	Tulip Family Trust	0	0	0.00	225000	3.84	0.00	+3.84
<b>Total</b>		<b>2792250</b>	<b>47.61</b>	<b>0.00</b>	<b>2695236</b>	<b>45.96</b>	<b>0.00</b>	<b>-1.65</b>

## Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Manisha R. Gogri	761329	12.98	02.04.2018	-26700	Sale	734629	12.53
				03.04.2018	-10200	Sale	724429	12.35
				04.04.2018	-900	Sale	723529	12.34
				16.04.2018	-4800	Sale	718729	12.26
				17.04.2018	-2100	Sale	716629	12.22
				25.04.2018	-2100	Sale	714529	12.18
				30.04.2018	-2100	Sale	712429	12.15
				02.05.2018	-900	Sale	711529	12.13
				27.04.2018	-1200	Sale	710329	12.11
				07.05.2018	-300	Sale	710029	12.11
				11.05.2018	-900	Sale	709129	12.09
2	Arti R. Gogri	548521	9.35	03.04.2018	-25800	Sale	522721	8.91
				12.11.2018	-600	Sale	522121	8.90
				14.11.2018	-900	Sale	521221	8.89
				15.11.2018	-1800	Sale	519421	8.86
				16.11.2018	-1200	Sale	518221	8.84
				21.11.2018	-1500	Sale	516721	8.81
				29.03.2019	-225000	Gift	291725	4.97
3	Arvind K. Chheda	427738	7.29	-	-	Nil movement during the year	427738	7.29



Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
4	Jaya C. Gogri	329300	5.62	18.06.2018	-3300	Sale	326000	5.56
				29.06.2018	-2100	Sale	323900	5.52
				04.12.2018	-2340	Gift	321560	5.48
				10.12.2018	-108	Gift	321452	5.48
				11.12.2018	-252	Gift	321200	5.48
				13.12.2018	-36	Gift	321164	5.48
				21.12.2018	-144	Gift	321020	5.47
				27.12.2018	-72	Gift	320948	5.47
				22.01.2019	-36	Gift	320912	5.47
				15.02.2019	-360	Gift	320552	5.47
				22.02.2019	-36	Gift	320516	5.47
				05.03.2019	-36	Gift	320480	5.46
				18.03.2019	-72	Gift	320408	5.46
				27.03.2019	-72	Gift	320336	5.46
5	Vicky H. Gala	286930	4.89	-	-	Nil movement during the year	286930	4.89
6	Mirik R. Gogri	258967	4.42	22.11.2018	-750	Sale	258217	4.40
				26.11.2018	-150	Sale	258067	4.40
				27.11.2018	-5100	Sale	252967	4.31
7	Dhanvanti H. Gala	74970	1.28	-	-	Nil movement during the year	74970	1.28
8	Hemchand L. Gala	74928	1.28	-	-	Nil movement during the year	74928	1.28
9	Pooja R. Gogri	28667	0.49	-	-	Nil movement during the year	28667	0.49
10	Chandrakant V. Gogri	300	0.01	10.10.2018	+300	Purchase	600	0.01
				11.10.2018	+150	Purchase	750	0.01
				12.10.2018	+300	Purchase	1050	0.02
				15.10.2018	+300	Purchase	1350	0.02
				16.10.2018	+450	Purchase	1800	0.03
				17.10.2018	+150	Purchase	1950	0.03
				19.10.2018	+150	Purchase	2100	0.04
				22.10.2018	+150	Purchase	2250	0.04
				23.10.2018	+150	Purchase	2400	0.04
				24.10.2018	+150	Purchase	2550	0.04
11	Rashesh C. Gogri	300	0.01	-	-	Nil movement during the year	300	0.01
12	Hetal Gogri Gala	300	0.01	15.11.2018	-300	Sale	0	0
13	Tulip Family Trust	0	0.00	29.03.2019	+225000	Gift Received	225000	3.84



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

S r. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Bhanumati M. Savla	425030	7.25	20.04.2018	+22221	Purchase	447251	7.63
				27.04.2018	+3879	Purchase	451130	7.69
2	Meena M. Chheda	291226	4.97	-	-	Nil Movement during the year	291226	4.97
3	Harsha M. Savadia	236367	4.03	-	-	Nil Movement during the year	236367	4.03
4	Summet M. Savla.	233905	3.98	08.03.2019	-2077	Sale	231828	3.95
				15.03.2019	-7618	Sale	224210	3.82
				22.03.2019	-5007	Sale	219203	3.74
5	Tarla P. Desai	156198	2.66	-	-	Nil Movement during the year	156198	2.66
6	Ketan D. Savla	115351	1.97	-	-	Nil Movement during the year	115351	1.97
7	Payal M. Savaida	86122	1.47	-	-	Nil Movement during the year	86122	1.47
8	Asian Markets Securities Private Ltd.	81000	1.38	30.11.2018	-3300	Sale	77700	1.33
				14.12.2018	-1200	Sale	76500	1.30
				21.12.2018	-1200	Sale	75300	1.28
				28.12.2018	-900	Sale	74400	1.27
				04.01.2019	-1050	Sale	73350	1.25
				18.01.2019	-1500	Sale	71850	1.23
				25.01.2019	-1650	Sale	70200	1.20
				08.03.2019	-3000	Sale	67200	1.15
				15.03.2019	-300	Sale	66900	1.14
				22.03.2019	-1050	Sale	65850	1.12
29.03.2019	-300	Sale	65550	1.12				
9	Maverick Financial Services Private Limited*	66000	1.13	06.04.2018	-59400	Sale	6600	0.11
				06.07.2018	-6600	Sale	0	0.00
				17.08.2018	600	Purchase	600	0.01
				24.08.2018	-450	Sale	150	0.00
				31.08.2018	-100	Sale	50	0.00
				28.09.2018	-50	Sale	0	0.00
10	Mulraj C. Gala*	22200	0.38	16.11.2018	-300	Sale	21900	0.37
				23.11.2018	-7950	Sale	13950	0.24
				30.11.2018	-900	Sale	13050	0.22
				21.12.2018	-7650	Sale	5400	0.09
				28.12.2018	-150	Sale	5250	0.09
				31.12.2018	-300	Sale	4950	0.08
				04.01.2019	-150	Sale	4800	0.08
				11.01.2019	-1800	Sale	3000	0.05
				18.01.2019	-450	Sale	2250	0.04
				08.02.2019	-600	Sale	1950	0.03
11	Reliance Capital Trustee Co Ltd #	34800	0.59	08.02.2019	-4050	Sale	30750	0.52
				15.02.2019	-1800	Sale	28950	0.49
				15.03.2019	-1500	Sale	27450	0.47
12	Ketan B. Shah #	20400	0.35	20.04.2018	900	Purchase	21300	0.36
				08.06.2018	450	Purchase	21750	0.37
				16.11.2018	300	Purchase	22050	0.38
				23.11.2018	450	Purchase	22500	0.38
				30.11.2018	450	Purchase	22950	0.39
				15.02.2019	150	Purchase	23100	0.39
				08.03.2019	150	Purchase	23250	0.40

\* Ceased to be in the top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01-04-2018.

# Not in the list of top 10 shareholders as on 01-04-2018. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2019.



**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at beginning of the year		Date	Increase/Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Arvind K. Chheda	427738	7.29	-	-	Nil movement during the year	427738	7.29
2.	Hemchand L. Gala	74928	1.28	-	-	Nil movement during the year	74928	1.28
3	Mahek M. Chheda	33600	0.57	-	-	Nil movement during the year	33600	0.57
4	Mahesh M. Savadia	270476	4.61	-	-	Nil movement during the year	270476	4.61
5	Vishnu J. Sawant	0	0.00	-	-	-	0	0
6	Dattatray S. Galpalli	0	0.00	-	+600 +300 +750 +300	Purchase Purchase Purchase Purchase	600 900 1650 1950	0.01 0.02 0.03 0.03
7	Dhirajlal D. Gala	0	0.00	-	-	-	0	0.00
8	Jeenal K. Savla	0	0.00	-	-	-	0	0.00
9	Velji K. Gogri	0	0.00	-	-	-	0	0.00
10	Vyoma M. Vyas	0	0.00	-	-	-	0	0.00
<b>Total</b>		<b>806742</b>	<b>13.76</b>	-	-	-	<b>808692</b>	<b>13.79</b>

**V. INDEBTEDNESS**

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	31,18,127	30,87,072	-	62,05,199
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>31,18,127</b>	<b>30,87,072</b>	-	<b>62,05,199</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	28,50,21,062	18,55,92,104	-	47,06,13,166
Reduction	-	-	-	-
Net Change	28,50,21,062	18,55,92,104	-	47,06,13,166
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	28,74,56,293	18,86,79,176	-	47,61,35,469
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,82,896	-	-	-
<b>Total (i+ii+iii)</b>	<b>28,81,39,189</b>	<b>18,86,79,176</b>	-	<b>47,68,18,365</b>

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

Sr. no.	Particulars of Remuneration	Hemchand L. Gala	Arvind K. Chheda	Vishnu J. Sawant	Mahek M. Chheda	Bijal D. Modi	Dinesh S. Shah	Maresh M. Savadia	Total Amount
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,92,000	23,16,000	13,44,000	9,00,000	20,00,000	11,33,978	7,80,000	128,65,978
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission - others, specify...	68,28,813	68,28,813	-	-	20,33,628	-	28,30,820	1,85,22,074
5.	Others, please specify BONUS	4,39,200	4,39,200	1,34,400	60,000	-	-	-	8,65,200
	<b>Total (A)</b>	<b>116,60,013</b>	<b>93,76,413</b>	<b>14,78,400</b>	<b>960,000</b>	<b>40,33,628</b>	<b>11,33,978</b>	<b>40,33,628</b>	<b>3,22,53,252</b>
	<b>Ceiling as per the Act</b>								<b>10% of net profits of the Company</b>

**B. Remuneration to other directors:****(Amount in ₹)**

Sr. no.	Particulars of Remuneration	Name of the Director			Total
		Dhirajlal D. Gala	Jeenal K. Savla	Velji K. Gogri	
1.	Independent Directors				
	Fee for attending board / committee meetings	49,500	12,500	15,000	77,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>49,500</b>	<b>12,500</b>	<b>15,000</b>	<b>77,000</b>
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	Tukaram P. Surve 22,000	Mulesh M. Savla 16,000	Dattatray S. Gallpalli 5,000	43,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>22,000</b>	<b>16,000</b>	<b>5,000</b>	<b>43,000</b>
	<b>Overall Ceiling as per the Act</b>				<b>1% of net profits of the Company</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary	3,76,248	23,16,000	26,92,248
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	68,28,813	68,28,813
5.	Others, please specify	13,030	2,31,600	2,44,630
	<b>Total</b>	<b>3,89,278</b>	<b>93,76,413</b>	<b>97,65,691</b>



**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	--	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on Behalf of Board

Sd/-  
**ARVIND K. CHHEDA**  
MANAGING DIRECTOR

Sd/-  
**MAHEK M. CHHEDA**  
WHOLETIME DIRECTOR

Place: Mumbai  
Date: August 20, 2019

**ANNEXURE “D”****FORM AOC-1**

[Pursuant to first proviso to sub - section (3) of Section 129 read with Rule 5 of Companies (Account) Rules, 2014]  
Statement containing salient features of Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

**PART “A” – SUBSIDIARIES**

Sr. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Proposed Dividend	% of Shareholding
1.	Dhanvallabh Venture LLP	01.04.2018-31.03.2019	Rupees	19,98,44,903	0	20,00,41,070	146,167	19,83,44,279	12,84,320	(18,95,772)	131,200	0	65

# Independent Auditors' Report

## To the Members of Valiant Organics Limited Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Valiant Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2019, and its profit and its cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under

section 143(10) of the Act (SAs). 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 made 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 audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Auditors' Response
1	<p>Impact of the Scheme of Merger of Amarjyot Chemical Limited (Transferor Company) with the Company</p> <p>The shareholders of the Company approved the Scheme of Merger ('Scheme') between the Company and Amarjyot Chemical Limited with an appointed date of 1<sup>st</sup> October 2017, whereby all the assets and liabilities of Amarjyot Chemical Limited will be transferred to the Company at their respective book values as on appointed date.</p> <p>The said scheme received approval of NCLT vide its order dated 8<sup>th</sup> March 2019 and hence the impact of scheme of merger has been given in the current financial year with effect from 1<sup>st</sup> October 2017.</p> <p>This being significant transaction during the current financial year which involves exercise of judgement and interpretation of Accounting Standards and assessment of accounting treatment pursuant to merger, the same has been considered as a key audit matter.</p>	<p>In respect of accounting treatment applied in the financial statements pursuant to merger of Amarjyot Chemical Limited (the transferor Company) with the Company, our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the scheme of merger of Amarjyot Chemical Limited (Transferor Company) with the Company</li> <li>• Evaluating whether the measurement, recognition and disclosure of the said transaction is accordance with applicable accounting standards and as per scheme.</li> <li>• Performed testing procedures to ensure accounting entries for transfer of assets and liabilities of Amarjyot Chemical Limited w.e.f 1<sup>st</sup> October 2017 are recorded in the books of accounts of the Company, is in line with accounting treatment mentioned in scheme of merger including assessing arithmetical accuracy of the same.</li> <li>• We have reviewed audited financial statements of Amarjyot Chemical Limited for FY 2018. We have also obtained audited profit and loss account statement for the period 1<sup>st</sup> October 2017 to 31<sup>st</sup> March 2018 from the Management to give impact of scheme of merger in the current financial year.</li> <li>• Verified whether accounting policies of Amarjyot Chemical Limited are aligned with that of the Company.</li> <li>• Obtained necessary explanations from management.</li> </ul>



Sr. No	Key Audit Matters	Auditors' Response
2	<p data-bbox="197 247 448 271">Valuation of Inventories</p> <p data-bbox="197 298 703 416">Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Accounting Standard - 2: Valuation of Inventories.</p> <p data-bbox="197 443 703 560">The correctness, completeness and valuation of inventories are critical to reflect true and fair financial results of operations and hence the same is considered as key audit matter</p>	<p data-bbox="730 247 1477 308">Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul data-bbox="730 329 1477 840" style="list-style-type: none"> <li data-bbox="730 329 1477 416">• We assessed the Company's process regarding Maintenance of records, valuation and accounting of transactions relating to Inventory as per Accounting Standard</li> <li data-bbox="730 437 1477 498">• We have evaluated the design of Internal Controls relating to recording and valuation of Inventory.</li> <li data-bbox="730 519 1477 580">• We have obtained necessary explanations from management regarding judgement exercised for valuation of work in progress.</li> <li data-bbox="730 600 1477 662">• We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to inventories.</li> <li data-bbox="730 682 1477 764">• We have visited manufacturing facilities of the Company during the course of audit and undertaken physical verification of inventories on test check basis</li> <li data-bbox="730 784 1477 840">• We have obtained from management necessary information and explanation to undertake audit of inventories.</li> </ul>

### Other Matters

The comparative financial statements for the year ended 31<sup>st</sup> March 2018 were audited by the predecessor auditor, Madan Dedhia and Associates, Chartered Accountants whose reports dated 28<sup>th</sup> May 2018, have expressed unmodified opinion on those audited financial statements. The impact of scheme of merger i.e. profit of Amarjyot Chemical Limited (the transferor Company) for the period 1<sup>st</sup> October 2017 to March 2018, is included as a separate line item in the financial results for the year ended 31<sup>st</sup> March 2019, has been audited by predecessor auditor, Madan Dedhia and Associates, Chartered Accountants.

Our opinion is not modified in respect of this matter.

### Information other than the standalone financial statements and auditor's report thereon

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during 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.

### Management's Responsibility for the Standalone Financial Statements

The Company's 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

### **Auditors' Responsibilities for the Audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit concluded in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a matter that achieves fair presentation.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit.
  - b. In our opinion, proper books of accounts 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 and Cash Flow Statement dealt with by this report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors none of the directors is disqualified as on March 31, 2019 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 over financial reporting 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 does not have pending litigations which would impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For GOKHALE & SATHE  
Chartered Accountants  
Firm Registration Number: 103264W

CA Tejas J. Parikh  
Partner  
Membership Number: 123215

Place: Mumbai  
Date: May 27, 2019



## Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Valiant Organics Limited of even date)**

- i. In respect of the Company’s fixed assets:
  - a. As informed to us, the Company has maintained records showing particulars including quantitative details and situation of its fixed assets.
  - b. The Company has phased programme of physical verification of fixed assets by which all fixed assets are verified over a period of three years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets. We have been informed that no material discrepancy was noted on such physical verification.
  - c. According to the information and explanations given to us and on the basis of examination of the records of the Company, title deeds of immovable properties are held in the name of the Company except Plot no N-10, N-11, MIDC Tarapur, Plot No. 286/2 & A-1 322/11 at Vapi GIDC, Plot no A1/210, 231,232,233,235,236 at Vatva Ahmedabad GIDC and Plot no’s 775, 776, 777, 915, 918, 919 at Jhagadia are in the name of erstwhile entities which are merged with the Company. According to explanation obtained from management, in view of merger through court scheme, leasehold rights are deemed to be transferred to the Company and procedure for transferring in the name of the Company is in progress.
- ii. The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties, confirmation of such stocks with the third parties has been obtained by the Company. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of stocks as compared to book records were not material. However, the same have been dealt with the books of account.
- iii. According to the information and explanations given to us, the Company has granted not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the At and the Companies (Acceptance of Deposit ) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. The Company has maintained cost records as required under sub section (1) of Section 148 of the Companies Act, 2013. However, we have not carried out a detailed examination of such records.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they become payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or bank.
- ix. In our opinion and according to the information and explanation given to us, the term loans raised during the year were applied for the purpose for which the loans were obtained. The Company did not raise any money by way of public offer or further public offer (including debt instruments) during the year.
- x. To the best our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transaction with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For GOKHALE & SATHE  
Chartered Accountants  
Firm Registration Number: 103264W

CA Tejas J. Parikh  
Partner  
Membership Number: 123215

Place: Mumbai  
Date: May 27, 2019



# Annexure “B” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Valiant Organics Limited of even date)**

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

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

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

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

## **Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation 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.

## **Limitations of Internal Financial Controls Over Financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods



are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GOKHALE & SATHE  
Chartered Accountants  
Firm Registration Number: 103264W

CA Tejas J. Parikh  
Partner  
Membership Number: 123215

Place: Mumbai  
Date: May 27, 2019



# Balance Sheet

as at 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share Capital	1	5,86,43,500	5,86,43,500
(b) Reserves and Surplus	2	2,45,00,32,053	53,31,31,161
<b>Sub - Total (A)</b>		<b>2,50,86,75,553</b>	<b>59,17,74,661</b>
<b>(2) Share Capital Pending Allotment</b>	3	<b>8,50,19,550</b>	-
<b>Sub - Total (B)</b>		<b>8,50,19,550</b>	-
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	40,19,28,645	30,00,000
(b) Deferred Tax Liabilities (Net)	5	12,50,15,286	3,67,21,750
(c) Long Term Provisions	6	2,58,86,846	1,10,47,935
<b>Sub - Total (C)</b>		<b>55,28,30,777</b>	<b>5,07,69,685</b>
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	7	7,42,06,824	32,05,199
(b) Trade Payables	8		
1) Total Outstanding Dues of Micro enterprises and Small Enterprises; and			
2) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		69,76,41,834	24,96,76,017
(c) Short-Term Provisions	9	2,27,80,965	5,44,11,283
(d) Other Current Liabilities	10	7,89,00,869	1,18,77,563
<b>Sub - Total (D)</b>		<b>87,35,30,492</b>	<b>31,91,70,062</b>
<b>Total (A+B+C+D)</b>		<b>4,02,00,56,372</b>	<b>96,17,14,409</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property Plant and Equipment	11		
(i) Tangible Assets		1,23,47,28,346	30,63,77,724
(ii) Intangible Assets		6,57,04,031	-
(iii) Capital Work-in-Progress		65,56,05,946	-
(b) Non Current Investments	12	9,03,39,922	90,48,252
(c) Long-Term Loans and Advances	13	12,25,22,197	1,54,69,806
<b>Sub - Total (E)</b>		<b>2,16,89,00,442</b>	<b>33,08,95,783</b>
<b>(2) Current Assets</b>			
(a) Current Investments	14	10,46,84,414	6,19,64,725
(b) Inventories	15	38,91,54,614	7,09,44,616
(c) Trade Receivables	16	1,20,90,17,242	36,88,74,669
(d) Cash and Cash Equivalents	17	3,05,55,288	11,55,59,002
(e) Short-Term Loans and Advances	18	11,77,44,371	1,34,75,612
<b>Sub - Total (F)</b>		<b>1,85,11,55,929</b>	<b>63,08,18,625</b>
<b>Total (E+F)</b>		<b>4,02,00,56,372</b>	<b>96,17,14,409</b>

Notes to accounts form integral part of accounts

Previous year's figures are regrouped / rearranged wherever required

As per our report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
(Firm Regn No.103264W)

For Valiant Organics Limited

**Tejas Parikh**

Partner  
M.No.123215

**Mr. Arvind Chheda**

(Managing Director)  
DIN: 00299741

**Mr. Mahek Chheda**

(Whole Time Director)  
DIN: 06763870

Place: Mumbai

Date :- 27<sup>th</sup> May, 2019

**Vyoma Vyas**

(Company Secretary)



# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Sr No.	Particulars	Notes	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
I	Revenue from operations	19	6,05,97,61,769	1,20,64,46,823
II	Other Income	20	6,43,04,845	1,48,46,119
III	<b>Total Revenue (I + II)</b>		<b>6,12,40,66,614</b>	<b>1,22,12,92,942</b>
IV	<b>Expenses:</b>			
	Cost of material consumed	21	3,41,59,03,169	66,16,13,294
	Purchase of Stock-in-Trade	22	11,42,10,251	-
	Changes in inventories of finished goods, WIP and Stock-in-Trade	23	(3,30,83,134)	(2,63,44,075)
	Employee Benefit Expenses	24	17,99,74,258	4,77,50,261
	Finance Cost	25	1,48,96,505	46,90,918
	Depreciation and Amortization Expense	26	11,79,65,301	2,18,84,025
	Other Expenses	27	60,56,56,812	25,93,57,646
	<b>Total Expenses (IV)</b>		<b>4,41,55,23,162</b>	<b>96,89,52,069</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,70,85,43,452</b>	<b>25,23,40,874</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		1,70,85,43,452	25,23,40,874
VIII	Extraordinary Items		-	-
IX	Profit before tax (III - IV)		<b>1,70,85,43,452</b>	<b>25,23,40,874</b>
X	<b>Tax expense:</b>			
	(1) Current tax		48,00,00,000	8,46,00,000
	(2) Short / (Excess) provision for tax of earlier year(s)		18,48,621	-
	(3) Deferred tax		1,40,00,000	43,64,312
XI	<b>Profit for the year before the impact of scheme of merger</b>		<b>1,21,26,94,831</b>	<b>16,33,76,562</b>
XII	Impact of Scheme of merger relating to F.Y.2017-18 (Refer Note No-31)		11,96,58,762	-
XIII	<b>Profit for the year After the impact of scheme of merger</b>		<b>1,33,23,53,593</b>	<b>16,33,76,562</b>
XIV	<b>Earnings Per Share - Basic and Diluted</b>	<b>28</b>		
	Before the impact of scheme of merger			
	(1) Basic		99.82	27.86
	(2) Diluted		86.73	27.86
	After the impact of scheme of merger			
	(1) Basic		109.67	
	(2) Diluted		95.29	
	Notes to accounts form integral part of accounts			

Previous Year's figures are regrouped / rearranged wherever required

As per our report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
(Firm Regn No.103264W)

For Valiant Organics Limited

**Tejas Parikh**  
Partner  
M.No.123215

**Mr. Arvind Chheda**  
(Managing Director)  
DIN: 00299741

**Mr. Mahek Chheda**  
(Whole Time Director)  
DIN: 06763870

Place: Mumbai  
Date :- 27<sup>th</sup> May, 2019

**Vyoma Vyas**  
(Company Secretary)

# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>(A) Cash Flow from Operating Activities</b>		
Net Profit Before Tax And Extra Ordinary Items	1,70,85,43,452	25,23,40,874
Adjustments For:		
<b>Add:</b>		
Interest Paid	1,48,96,505	46,90,918
(Profit) / Loss on Sale of Asset	1,20,09,983	(43,752)
Loss on Investment in Subsidiary	13,19,127	-
Depreciation	11,79,65,301	2,18,84,025
<b>Less:</b>		
Interest Income	45,53,601	10,12,681
Gains on Sale / Redemption of Shares / Mutual Funds / Other Income	3,85,21,239	48,82,539
Dividend Income	14,34,523	4,16,596
Operating Profit Before Working Capital Changes	<b>1,81,02,25,004</b>	<b>27,25,60,250</b>
Adjustments for: Working Capital		
Add/(Less):		
(Increase) / Decrease in Trade & Other Receivables	(41,84,81,284)	(18,74,90,535)
Increase / (Decrease) in Trade Payable & Other Provisions	(9,13,46,379)	14,79,34,653
(Increase) / Decrease in Inventories	27,39,780	2,28,00,136
<b>Cash Generated from Operation</b>	<b>1,30,31,37,121</b>	<b>25,58,04,504</b>
Less:		
Direct Taxes Paid	(47,45,01,214)	(7,81,42,990)
Cash Flow Before Extraordinary item	82,86,35,907	17,76,61,514
Add/(Less):		
Extraordinary items		
<b>Net Cash From Operating Activities (A)</b>	<b>82,86,35,907</b>	<b>17,76,61,514</b>





# Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>(B) Cash Flow From Investing Activities</b>		
Addition to Fixed Assets / CWIP (net)	(82,80,52,845)	(6,39,82,236)
(Increase) / Decrease in Investment	(7,91,89,247)	3,30,787
Loans and advances given	(5,78,61,494)	-
Interest Income	45,53,601	10,12,681
Dividend Income	14,34,523	4,16,596
<b>Net Cash from Investing Activities (B)</b>	<b>(95,91,15,462)</b>	<b>(6,22,22,172)</b>
<b>(C) Cash Flow From Financing Activities</b>		
Proceeds / Repayment from Short Term Borrowings	4,76,90,336	4,28,297
Proceeds / Repayment from Long Term Borrowings	9,42,36,988	(87,072)
Proposed Dividend & Tax thereon	(10,47,29,638)	(4,58,78,322)
Interest Paid	(1,48,96,505)	(46,90,918)
<b>Net Cash from / (Used) in Financing Activities (C)</b>	<b>2,23,01,181</b>	<b>(5,02,28,015)</b>
Net Increase / (Decrease): in Cash and Cash Equivalents (A+B+C)	(10,81,78,373)	6,52,11,327
Opening Balance of Cash and Cash Equivalents	11,55,59,002	5,03,47,675
Add : Cash & Cash Equivalents (Opening Balance of Merged Company)	2,31,74,659	-
Closing Balance of Cash and Cash Equivalents	3,05,55,288	11,55,59,002

Previous Year's figures are regrouped / rearranged wherever required

As per our report of even date attached

For **Gokhale & Sathe**

Chartered Accountants

(Firm Regn No.103264W)

**Tejas Parikh**

Partner

M.No.123215

Place: Mumbai

Date :- 27<sup>th</sup> May, 2019

For Valiant Organics Limited

**Mr. Arvind Chheda**

(Managing Director)

DIN: 00299741

**Vyoma Vyas**

(Company Secretary)

**Mr. Mahek Chheda**

(Whole Time Director)

DIN: 06763870

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## SIGNIFICANT ACCOUNTING POLICIES:

### A Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### B Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

### C Revenue Recognition

- i Revenue is recognized to the extent that it is possible that economic benefits will flow to the Company and can be reliably measured.
- ii Revenue from sales of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recorded net of trade discounts, rebates and Indirect Taxes (GST).
- iii Revenue from Conversion, Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- iv Export entitlements are recognized on realization.
- v Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- vi Dividend income is recognised when right to receive is established.

### D Property, plant and equipment

#### Tangible Assets

- i Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing

cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

- ii Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- iii Other Indirect Expenses including borrowing costs in accordance with Accounting Standard 16 - Borrowing Costs incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

#### Capital Work-In-Progress

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress, are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

### E Depreciation and Amortisation

#### Tangible Assets

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) method as per rates prescribed in Schedule II of the Companies Act, 2013, except in the respect of the following assets, where useful life of asset is different than those prescribed in Schedule II of the Act.

Particulars	Depreciation
Factory Building (Useful life 30 years)	Over its useful life as assessed
Plant & Machinery (Useful life 19 years)	Over its useful life as assessed
Vehicle (Useful life 10 years)	Over its useful life as assessed
Leasehold Land	Over the period of lease term



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## Intangible Assets

Intangible Assets are amortised over their estimated useful life as follows :

Particulars	Depreciation
Goodwill	Over its Period of 5 Years

## F Impairment of Tangible and Intangible Assets

- i The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- ii An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## G Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

## H Investments

Current investments are valued at cost or market value whichever is less. Long term investments are stated at cost less provision for permanent diminution in value if any, of investments.

## I Valuation of Inventories:

Inventories are valued at lower of Cost and Net Realizable Value, Whichever is lower.

Inventories have been valued on the following basis:

- i Raw Materials, Packing Material, Stores and Spares - At lower of cost and net realizable value.
- ii Work-in-Process - At lower of cost plus appropriate allocation of overheads and net realizable value.
- iii Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

## J Employee Benefit Expenses

### Short-term benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### Post retirement benefits:

#### Defined Benefit Plans

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. Gratuity liability is accrued on the basis of actuarial valuation at the year end.

Defined benefit costs in the nature of current and past service cost, net interest expense or income and re-measurements, comprising of actuarial gains and losses, the effect of changes to the asset ceiling (excluding amounts included in net interest or the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized in the statement of profit and loss in the period in which they occur.

### Provident fund:

The Company has a provident fund scheme which is a defined contribution Scheme. Defined contribution is charged to the Profit and Loss statement.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## **K Taxes on Income**

Tax on Income comprises current tax and deferred tax. These are recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

### **Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **Deferred tax**

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets 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 substantially enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities."

### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

## **L Foreign Currency Transactions & Translations**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

## **M Provisions, Contingent Liability and Contingent Assets**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates required to be settled the obligation at the Balance Sheet date.

Contingent liabilities are not disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements."



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## N Earnings Per Share

- i Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## SEGMENT REPORTING AS PER ACCOUNTING STANDARD - 17

### i Business Segment as Primary Segment

The Company is considered to be a single segment Company engaged in Chemical business, hence the disclosure requirement as per AS-17 'Business Segments as Primary' is not attracted.

### ii Geographical Segments as Secondary Segments

Particulars		
Segment Revenue	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a) Exports	₹ 73,94,13,472	₹ 28,61,86,289
b) In India	₹ 5,32,03,48,297	₹ 92,02,60,534
<b>Total</b>	<b>₹ 6,05,97,61,769</b>	<b>₹ 1,20,64,46,823</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 1 SHARE CAPITAL

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>a AUTHORIZED CAPITAL</b>		
105,00,000 Equity Shares of ₹ 10/- each.	10,50,00,000	10,50,00,000
	<b>10,50,00,000</b>	<b>10,50,00,000</b>
<b>b ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b>		
<b>i Equity Share Capital</b>		
5864350 Nos (P.Y 5864350 nos) Equity Shares of ₹ 10/- each fully paid-up.	5,86,43,500	5,86,43,500
<b>Total in ₹</b>	<b>5,86,43,500</b>	<b>5,86,43,500</b>

### 1.1 The Reconciliation of the number of shares outstanding is set out below

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Shares outstanding at the beginning of the year	58,64,350	36,40,320
Add : Shares Issued during the year	-	22,24,030
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	58,64,350	58,64,350

### 1.2 The details of Equity Shareholders holding more than 5% Shares

(Amount in ₹)

Name of the Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Arvind K. Chheda	4,27,738	7.29	4,27,738	7.29
Mr. Bhanumati M. Savla	4,51,130	7.69	4,25,030	7.25
Mrs. Aarti R. Gogri	2,91,721	4.97	5,48,521	9.35
Mrs. Manisha R. Gogri	7,09,129	12.09	7,61,329	12.98
Mrs. Jaya C. Gogri	3,20,336	5.46	3,29,300	5.62

1.3 22,24,030 Equity Shares were issued to Shareholders of Abhilasha Texchem Ltd in FY 2017-18, pursuant to its Merger with the Company

### 1.4 Bonus Shares Issued during past five years

32,76,288 Equity Shares of ₹ 10/- each were issued as bonus shares in F.Y. 2015-16

### 1.5 Terms / Rights attached to Equity Shares

The Company has only one class of Shares referred to as Equity Shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. the distribution will be in proportion to the number of equity shares held by the shareholder.



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 2 RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>a Capital Reserve</b>		
Opening Balance	14,36,01,636	14,36,01,636
Addition:		
<b>Pursuant to the Scheme of Amalgamation</b>	64,10,28,282	-
Deduction:	-	-
<b>Closing Balance</b>	<b>78,46,29,918</b>	<b>14,36,01,636</b>
<b>b Securities Premium</b>		
Opening Balance	-	-
Add :	-	-
Less :	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>c Surplus (Balance in Profit &amp; Loss Account)</b>		
Opening Balance	38,25,44,640	25,01,66,608
<b>Addition:</b>		
Net Profit / (Loss) for the year	1,33,23,53,593	16,33,76,561
<b>Deduction:</b>		
Interim Dividend	(5,04,05,380)	(1,46,60,873)
Tax on Interim Dividend	(60,75,603)	-
Transfer to General Reserve	(13,05,27,082)	(1,63,37,656)
<b>Closing Balance</b>	<b>1,52,78,90,168</b>	<b>38,25,44,640</b>
<b>d General Reserve</b>		
Opening Balance	69,84,885	2,18,64,678
<b>Addition:</b>		
<b>Deduction:</b>		
Proposed Final Dividend	-	(2,34,57,400)
Tax on Proposed Final Dividend	-	(77,60,049)
Transfer from P&L A/c	13,05,27,082	1,63,37,656
<b>Closing Balance</b>	<b>13,75,11,967</b>	<b>69,84,885</b>
<b>Total in ₹</b>	<b>2,45,00,32,053</b>	<b>53,31,31,161</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 3 SHARE CAPITAL PENDING ALLOTMENT

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Share capital pending allotment under the Scheme of merger of Amarjyot Chemical Limited</b>		
- 6284868 Equity Shares of ₹ 10 each	6,28,48,680	-
- 1833087 Optionally Convertible Preference Shares of ₹ 10 each	1,83,30,870	-
- 38400 Redeemable Non-Cumulative Preference Shares of ₹ 100 each	38,40,000	-
	<b>8,50,19,550</b>	-

### 3.1 Rights Attached to the Equity Shares

The Equity shares to be issued and allotted, shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

### 3.2 Rights attached to Optionally Convertible Preference Shares (OCPS) Pursuant to Merger with erstwhile Amarjyot Chemical Limited

- 1) Will be listed on the SME platform of BSE Limited i.e. where the equity shares of the Company are listed.
- 2) Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.
- 3) 1 (one) OCPS, convertible into 1 (one) equity share of the Company
- 4) Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.
- 5) The Equity shares issued and allotted, upon conversion shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

### 3.3 Rights attached to Redeemable Non Cumulative Preference Shares (RNPS) Pursuant to Merger with erstwhile Amarjyot Chemical Limited

The Company has an option to redeem the RNPS at any time after the end of 6(Six) months from the date of allotment. If the Company exercises its call option, it will pay the amount of the face value of the RNPS. For the redemption period, period of issue in Amarjyot Chemical Limited will be reduced.

## 4 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a Secured loan		
- Term Loans / ECB From Banks	21,32,49,469	-
	-	-
b Unsecured Loans		
- From Related Parties	5,22,86,000	-
- From Others	13,63,93,176	30,00,000
	-	-
<b>Total in ₹</b>	<b>40,19,28,645</b>	<b>30,00,000</b>

- 4.1 Outstanding Term / Corporate Loans to the extent of ₹ 23,63,00,000 are secured by way of Pari Passu joint Equitable Mortgage of the Company's Immovable Properties situated at Vapi and Jhagadia in the state of Gujarat and Further by way of Pari Passu Hypothecation of movable Fixed Assets & Current Assets, both present and future wherever situated.





# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

4.2 Term Loan to the extent of ₹ 3,41,09,700 is secured by way of Exclusive charge by way of Equitable Mortgage on Land & Building located at Sarigam, Tarapur and Mulund (ii) Pari Passu charge on present and Future stocks & book debts and Fixed Assets and (iii) Personal Guarantee of Mr. Arvind Chheda.

#### 4.3 Repayment Terms:

Particulars	Repayment Tenor			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 years
ECB/Term/Corporate loans from Banks/Financial Institutions	8,38,60,231	7,24,89,238	3,02,00,000	2,67,00,000

## 5 DEFERRED TAX LIABILITY

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Deferred Tax Liability		
Opening	3,67,21,750	3,23,57,438
<b>Pursuant to the Scheme of Merger</b>	<b>7,42,93,536</b>	
Add: On Fixed Assets	1,40,00,000	46,84,198
Less: On Accrued benefit to Employees	-	(3,19,886)
	-	-
<b>Total in ₹</b>	<b>12,50,15,286</b>	<b>3,67,21,750</b>

## 6 LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a Provision For Employees Benefit	99,56,299	1,05,29,348
- Provision for Gratuity	85,74,927	24,64,796
- Provision for Leave Salary	13,81,372	-
b Other Long Term Provisions		
Income Tax Provisions Net of Advance Tax & TDS	1,59,30,547	85,83,139
	-	-
<b>Total in ₹</b>	<b>2,58,86,846</b>	<b>1,10,47,935</b>

## 7 SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a Loans Repayable on demands		
- Secured Loans from Banks (Bank Overdraft)	7,42,06,824	31,18,127
b Unsecured Loans		
- Others	-	87,072
<b>Total in ₹</b>	<b>7,42,06,824</b>	<b>32,05,199</b>

Working Capital Loans are secured by way of Pari Passu charge by way of Hypothecation of movable Fixed Assets & Current Assets, both present and future wherever situated. And further by way of Pari Passu charge by way of Equitable Mortgage of the Immovable properties situated at Vapi, Jhagadia, Sarigam and Tarapur.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 8 TRADE PAYABLES

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Trade Payables		
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	-	-
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	69,76,41,834	24,96,76,017
<b>Total in ₹</b>	<b>69,76,41,834</b>	<b>24,96,76,017</b>

In the absence of necessary information relating to the registration status of supplier under The Micro, Small & Medium Enterprises Development Act, 2006 with the company, the information under the said Act could not be disclosed.

## 9 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a Provision For Employees Benefit	2,27,20,815	61,02,476
- Provision for Gratuity	-	-
- Provision for Leave Salary	8,86,598	-
- Provision for Wages, Bonus & Ex-Gratia	2,18,34,217	-
b Proposed Dividend	-	4,83,08,807
b Others	60,150	-
<b>Total in ₹</b>	<b>2,27,80,965</b>	<b>5,44,11,283</b>

## 10 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a Current Maturity Of Long Term Debt	5,71,60,231	-
b Statutory Dues	82,68,571	14,27,396
c Other Miscellaneous Provision	1,34,72,067	1,04,50,167
<b>Total in ₹</b>	<b>7,89,00,869</b>	<b>1,18,77,563</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 11 PROPERTY PLANT & EQUIPMENT

Financial Year 2018 - 2019

(Amount in ₹)

Sr. No	Particulars	Gross Block			Disposal	Balance as at 31 <sup>st</sup> March, 2019	Depreciation / Amortisation			Net Block			
		Balance as at 1 <sup>st</sup> April, 2018	Addition on Merger	Addition during the year			Balance as at 1 <sup>st</sup> April, 2018	Addition on Merger	For the Year 31 <sup>st</sup> March, 2019	Balance as at 31 <sup>st</sup> March, 2019	Balance as at 31 <sup>st</sup> March, 2018		
<b>I</b>	<b>Tangible Assets</b>												
1	Land	2,04,60,112	11,20,05,006	90,83,292	-	14,15,48,410	7,29,993	15,19,424	-	21,81,676	44,31,093	13,71,17,317	1,97,30,119
2	Factory Building	4,29,00,777	12,02,90,294	3,22,40,826	-	19,54,31,897	98,83,272	1,52,56,800	-	58,51,586	3,09,91,658	16,44,40,239	3,30,17,505
3	Residential Building	13,73,400	-	-	-	13,73,400	2,74,230	-	-	21,746	2,95,976	10,77,425	10,99,170
4	Plant & Machinery	38,30,58,556	87,84,46,254	11,34,10,290	9,60,923	1,37,39,54,177	14,28,05,148	28,14,79,737	3,59,401	6,61,64,473	49,00,89,957	88,38,64,221	24,02,53,417
5	Power Plant	-	1,61,72,775	17,24,400	-	1,78,97,175	-	8,20,542	-	8,98,473	17,19,015	1,61,78,160	-
6	Electrical Installation	28,33,228	-	30,94,575	-	59,27,802	9,97,331	-	-	4,42,078	14,39,409	44,88,393	18,35,895
7	Laboratory Equipment	16,94,004	-	1,84,252	-	18,78,255	5,34,514	-	-	1,33,944	6,68,458	12,09,797	11,59,489
8	Furniture & Fixture	18,68,797	77,24,582	33,10,409	12,484	1,28,91,303	4,41,465	16,96,434	11,860	9,84,585	31,10,624	97,80,680	14,27,331
9	Vehicle	1,18,97,375	1,05,46,140	11,50,084	1,47,425	2,34,46,174	48,83,741	62,92,449	59,328	13,18,688	1,24,35,550	1,10,10,623	70,13,633
10	Computer	15,81,413	52,81,568	24,45,980	-	93,08,961	12,31,532	37,91,223	-	15,77,553	66,00,308	27,08,653	3,49,881
11	Office Equipment	12,36,386	43,94,417	13,62,757	30,163	69,63,396	7,45,100	25,56,486	36,364	8,45,338	41,10,560	28,52,836	4,91,285
	<b>Sub-Total (I)</b>	<b>46,89,04,046</b>	<b>1,15,48,61,036</b>	<b>16,80,06,863</b>	<b>11,50,995</b>	<b>1,79,06,20,951</b>	<b>16,25,26,326</b>	<b>31,34,13,095</b>	<b>4,66,953</b>	<b>8,04,20,139</b>	<b>55,58,92,607</b>	<b>1,23,47,28,346</b>	<b>30,63,77,724</b>
<b>II</b>	<b>Intangible Assets</b>												
1	Technical Knowhow	1,50,00,000	-	-	-	1,50,00,000	1,50,00,000	-	-	-	1,50,00,000	-	-
2	Trade Mark	-	-	-	-	-	-	-	-	-	-	-	-
3	Goodwill	1,00,00,000	18,77,25,806	-	-	19,77,25,806	1,00,00,000	8,44,76,613	-	3,75,45,162	13,20,21,775	6,57,04,031	-
4	Ms Office Software	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (II)</b>	<b>2,50,00,000</b>	<b>18,77,25,806</b>	<b>-</b>	<b>-</b>	<b>21,27,25,806</b>	<b>2,50,00,000</b>	<b>8,44,76,613</b>	<b>-</b>	<b>3,75,45,162</b>	<b>14,70,21,775</b>	<b>6,57,04,031</b>	<b>-</b>
	<b>Capital WIP</b>	<b>-</b>	<b>68,85,901</b>	<b>64,87,20,046</b>	<b>-</b>	<b>65,56,05,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,56,05,946</b>	<b>-</b>
	<b>Total</b>	<b>49,39,04,046</b>	<b>1,34,94,72,743</b>	<b>81,67,26,909</b>	<b>11,50,995</b>	<b>2,65,89,52,704</b>	<b>18,75,26,326</b>	<b>39,78,89,708</b>	<b>4,66,953</b>	<b>11,79,65,301</b>	<b>70,29,14,382</b>	<b>1,95,60,38,323</b>	<b>30,63,77,724</b>

**Financial Year 2017 - 2018**

(Amount in ₹)

Sr. No	Particulars	Gross Block			Depreciation / Amortisation			Net Block			
		Balance as at 1 <sup>st</sup> April, 2017	Addition during the year	Disposal	Balance as at 31 <sup>st</sup> March, 2018	Balance as at 1 <sup>st</sup> April, 2017	Disposal / Adjustments	For the Year 31 <sup>st</sup> March, 2018	Balance as at 31 <sup>st</sup> March, 2018	Balance as at 31 <sup>st</sup> March, 2017	
<b>I Tangible Assets</b>											
1	Land	2,04,60,112	-	-	2,04,60,112	4,97,721	-	2,32,272	7,29,993	1,97,30,119	1,99,62,390
2	Factory Building	3,60,25,838	68,74,939	-	4,29,00,777	86,75,351	-	12,07,921	98,83,272	3,30,17,505	2,73,50,488
3	Residential Building	13,73,400	-	-	13,73,400	2,51,844	-	22,386	2,74,230	10,99,170	11,21,556
4	Plant & Machinery	32,94,73,236	5,60,33,320	24,48,000	38,30,58,556	12,49,51,999	6,91,752	1,85,44,901	14,28,05,148	24,02,53,408	20,45,21,238
5	Electrical Installation	28,33,228	-	-	28,33,228	7,82,133	-	2,15,198	9,97,331	18,35,897	20,54,093
6	Laboratory Equipment	883,004	8,11,000	-	16,94,004	4,40,998	-	93,516	5,34,514	11,59,490	4,42,005
7	Furniture & Fixture	6,58,918	12,09,879	-	18,68,797	3,33,815	-	1,07,650	4,41,465	14,27,332	3,25,102
8	Vehicle	1,18,97,375	-	-	1,18,97,375	37,82,064	-	11,01,677	48,83,741	70,13,634	81,15,310
9	Computer	11,78,692	4,02,721	-	15,81,413	10,47,911	-	1,83,621	12,31,532	3,49,881	1,30,782
10	Office Equipment	7,86,011	4,50,375	-	12,36,386	5,70,217	-	1,74,883	7,45,100	4,91,286	2,15,793
	<b>Sub-Total (I)</b>	<b>40,55,69,814</b>	<b>6,57,82,234</b>	<b>24,48,000</b>	<b>46,89,04,046</b>	<b>14,13,34,053</b>	<b>6,91,752</b>	<b>2,18,84,025</b>	<b>16,25,26,326</b>	<b>30,63,77,724</b>	<b>26,42,38,761</b>
<b>II Intangible Assets</b>											
1	Technical Knowhow	1,50,00,000	-	-	1,50,00,000	1,50,00,000	-	-	1,50,00,000	-	-
2	Trade Mark	-	-	-	-	-	-	-	-	-	-
3	Goodwill	1,00,00,000	-	-	1,00,00,000	1,00,00,000	-	-	1,00,00,000	-	-
4	Ms Office Software	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (II)</b>	<b>2,50,00,000</b>	<b>-</b>	<b>-</b>	<b>2,50,00,000</b>	<b>2,50,00,000</b>	<b>-</b>	<b>-</b>	<b>2,50,00,000</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>43,05,69,814</b>	<b>6,57,82,234</b>	<b>24,48,000</b>	<b>49,39,04,046</b>	<b>16,63,34,053</b>	<b>6,91,752</b>	<b>2,18,84,025</b>	<b>18,75,26,326</b>	<b>30,63,77,724</b>	<b>26,42,38,761</b>



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 12 NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a) Quoted Investments		
- In listed Shares	1,80,69,049	
- In Mutual Fund	10,000	
b) Unquoted Investments		
- In Shares & Residential Property	-	90,48,252
c) Investment in LLP at Cost *	7,22,60,873	-
<b>Total in ₹</b>	<b>9,03,39,922</b>	<b>90,48,252</b>

### 12.1

(Amount in ₹)

Particulars	Number of Units / Shares (All Fully Paid Up)				As at	
	Opening Balance	Acquisition	Disposal	Closing Balance	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>A Investment in Quoted Shares</b>						
Aarti Industries (FV ₹ 5)	2,35,000	-	18,600	2,16,400	1,80,69,049	-
<b>Investment in Quoted Mutual Fund</b>						
SBI Mutual Fund	1,000	-	-	1,000	1,000	-
<b>Total Investment in Unquoted Shares (A)</b>					<b>1,80,69,049</b>	<b>-</b>

### 12.2

(Amount in ₹)

Particulars	Number of Units / Shares (All Fully Paid Up)				As at	
	Opening Balance	Acquisition	Disposal	Closing Balance	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>B Investment - (Unquoted) in Shares</b>						
Amarjyot Chemical Limited (FV ₹ 10)	15,393	-	15,393	-	-	25,00,000
Kapol Bank Limited (FV ₹ 10)	2,150	-	2,150	-	-	21,500
<b>C Investment - (Unquoted) in Limited Liability Partnership</b>						
Dhanvallabh Ventures LLP	NA			7,22,60,873	7,22,60,873	-
Investment in Residential Property						65,26,752
<b>Total Investment in Unquoted Shares, LLP and others (B) + (C)</b>					<b>7,22,60,873</b>	<b>90,48,252</b>
<b>Total (A) + (B) + (C)</b>					<b>9,03,39,922</b>	<b>90,48,252</b>

Note: Market Value of Quoted Equity Shares as at 31<sup>st</sup> March 2019 is ₹ 34,14,03,460 /-

## 13 LONG TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a) Capital Advances		
Unsecured, Considered Good	8,55,21,458	67,29,960
b) Security Deposit		
Unsecured, Considered Good :	2,47,12,894	78,43,331
c) Loan To Others:-		
Unsecured Considered Good	1,22,87,845	8,96,515
<b>Total in ₹</b>	<b>12,25,22,197</b>	<b>1,54,69,806</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 14 CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a) Quoted Investments		
- Investments In Shares & Mutual Funds	10,46,84,414	6,19,64,725
<b>Total in ₹</b>	<b>10,46,84,414</b>	<b>6,19,64,725</b>

### 14.1

(Amount in ₹)

Particulars	Number of Units / Shares (All Fully Paid Up)				As at	As at
	Opening Balance	Acquisition	Disposal	Closing Balance	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>A Investment in Quoted Equity Shares</b>						
Aarti Industries (FV ₹ 5)	2,35,000	-	18,600	2,16,400	-	1,95,82,360
Aditya Birla Capital Limited (FV ₹ 10)	5,000	-	5,000	-	-	3,99,038
Automobile Corporation (FV ₹ 10)	1,000	-	1,000	-	-	7,00,536
Axis Bank Limited (FV ₹ 2)	460	-	-	460	2,03,094	2,03,094
Bhansali Engineering (FV ₹ 1)	30,000	5,000	35,000	-	-	56,57,651
Biocon Limited (FV ₹ 5)	2,250	-	-	2,250	8,01,518	8,01,518
Bodal Chemicals Limited (FV ₹ 2)	2,000	-	-	2,000	3,54,086	3,54,086
BSE Limited (FV ₹ 2)	1,000	-	1,000	-	-	11,01,466
Cadila Healthcare Limited (FV ₹ 1)	1,000	-	1,000	-	-	3,93,875
Clariant Chemical (FV ₹ 10)	200	-	200	-	-	1,42,969
DCW Ltd (FV ₹ 2)	15,000	-	15,000	-	-	4,80,929
Elantas Beck India (FV ₹ 10)	400	-	-	400	6,57,211	6,57,211
Elgi Equipments Limited (FV ₹ 10)	2,000	-	2,000	-	-	4,24,791
Force Motors Limited (FV ₹ 10)	500	-	500	-	-	15,26,718
Geojit Financial Service (FV ₹ 1)	2,500	-	2,500	-	-	3,13,352
Grasim Industries Limited (FV ₹ 2)	2,750	-	-	2,750	28,45,702	28,45,702
Gufic Biosciences Limited (FV ₹ 1)	9,673	-	9,673	-	-	9,73,542
HDFC Bank Limited (FV ₹ 2)	555	-	-	555	6,46,310	6,46,310
HDFC Standard Life Insurance Co. Ltd. (FV ₹ 10)	7,500	-	-	7,500	26,46,372	26,46,372
Himadri Speciality Chemicals Limited (FV ₹ 1)	3,000	-	3,000	-	-	3,31,616
ICICI Bank Limited (FV ₹ 2)	770	-	-	770	1,73,969	1,73,969
JSW Energy Limited (FV ₹ 10)	10,000	-	10,000	-	-	7,80,266
Kakatiya Cement & Sugar (FV ₹ 10)	4,050	-	4,050	-	-	19,24,663
KIOCL Limited (FV ₹ 10)	1,000	-	1,000	-	-	3,88,729
Kopran Limited (FV ₹ 10)	5,000	-	5,000	-	-	3,82,715
Kridhan Infra Limited (FV ₹ 2)	5,000	-	5,000	-	-	6,85,909
LT Foods Limited (FV ₹ 1)	5,000	-	5,000	-	-	4,32,081
Mahanagar Gas Limited (FV ₹ 10)	500	-	-	500	5,70,011	5,70,011
Marathon Nxtgen Real (FV ₹ 5)	5,000	-	5,000	-	-	24,56,777
Meghmani Organics Limited (FV ₹ 1)	27,500	-	27,500	-	-	17,96,334
MT Educare Limited (FV ₹ 10)	2,000	-	2,000	-	-	2,21,841
Nila Infrastructures (FV ₹ 1)	26,000	-	26,000	-	-	5,94,320
Orchid Pharma Limited (FV ₹ 10)	5,000	-	-	5,000	96,063	96,063
Orient Refractories (FV ₹ 1)	3,379	-	3,379	-	-	4,84,022
Rain Industries Limited (FV ₹ 2)	10,000	-	10,000	-	-	15,62,970
State Bank of India (FV ₹ 1)	5,000	-	-	5,000	16,23,247	16,23,247



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Number of Units / Shares (All Fully Paid Up)				As at	As at
					31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Sicagen India Limited (FV ₹ 10)	20,000	10,000	30,000	-	-	10,30,994
Sudarshan Chemical Industries (FV ₹ 2)	3,772	-	3,772	-	-	14,87,642
Sundaram Finance Limited (FV ₹ 10)	750	-	-	750	13,16,871	13,16,871
Sundaram Finance Holdings Limited (FV ₹ 5)	750	5,000	-	5,750	8,12,082	85,697
Sunflag Iron Steel (FV ₹ 10)	10,000	-	10,000	-	-	8,61,111
Torrent Pharmaceutical (FV ₹ 5)	500	-	-	500	7,34,760	7,34,760
Ugar Sugar Works Limited (FV ₹ 1)	12,000	-	12,000	-	-	6,05,212
Vardhaman Special (FV ₹ 10)	2,000	-	2,000	-	-	3,34,619
Va Tech Wabag Limited (FV ₹ 2)	400	-	-	400	2,74,100	2,74,100
Visaka Industries Limited (FV ₹ 10)	1,000	-	1,000	-	-	5,04,452
Welspun India Limited (FV ₹ 1)	5,000	-	5,000	-	-	3,72,216
<b>Total Investment in Quoted Shares (A)</b>					<b>1,37,55,394</b>	<b>6,19,64,725</b>
<b>B Investment in Unquoted Shares</b>						
The Green Environment Services Co-op Societies Ltd					5,000	-
<b>Total Investment in Unquoted Shares (B)</b>					<b>5,000</b>	<b>-</b>
<b>C Investment in Mutual Fund</b>						
Reliance Liquid Fund		91,255	88,074	3,182	1,45,00,000	-
Reliance Money Market Fund Direct Growth		90,861	63,854	27,007	7,64,24,020	-
<b>Total Investment in Mutual Fund (C)</b>					<b>9,09,24,020</b>	<b>-</b>
<b>Total Current Investment (A + B + C)</b>					<b>10,46,84,414</b>	<b>6,19,64,725</b>

Note Market Value of Quoted Equity Shares as at 31<sup>st</sup> March 2019 is ₹ 1,46,61,337/- (PY ₹ 31,31,2553 /-)

Market Value of Mutual Fund as at 31<sup>st</sup> March 2019 is ₹ 9,11,95,707 /-

## 15 INVENTORIES

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
a) Raw Material	18,66,03,103	2,02,84,267
b) Work-in-Progress	5,84,31,821	1,72,59,155
c) Finished Goods	12,93,08,577	2,91,17,977
d) Fuel	9,40,406	13,30,450
e) Stores & Spares	1,01,77,350	3,50,000
f) Packing Materials	36,93,357	26,02,767
<b>Total in ₹</b>	<b>38,91,54,614</b>	<b>7,09,44,616</b>

## 16 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
I) Unsecured, Considered Good :		
a Over Six Months	34,91,494	15,34,601
b Others	1,21,59,86,101	36,73,40,068
II) Provision For bad Debts	(1,04,60,353)	-
<b>Total in ₹</b>	<b>1,20,90,17,242</b>	<b>36,88,74,669</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 17 CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>A Cash &amp; Cash Equivalents</b>		
a Balances with Banks	2,67,15,727	10,43,81,801
b Cash on hand	5,65,625	2,69,456
<b>Sub Total in ₹</b>	<b>2,72,81,352</b>	<b>10,46,51,257</b>
<b>B Other Bank Balances</b>		
Bank Deposits	32,73,936	1,09,07,745
Sub Total in ₹	32,73,936	1,09,07,745
<b>TOTAL</b>	<b>3,05,55,288</b>	<b>11,55,59,002</b>

## 18 SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
a Loans & Advances		
Unsecured, Considered Good :	-	-
b Others		
Unsecured, Considered Good :		
- Security Deposits	-	25,25,000
- Advance to Staff / Workers	26,65,021	7,03,600
- Balance With Revenue Authorities (Indirect Taxes)	10,73,69,446	83,11,142
- Prepaid Expenses	34,82,692	14,19,605
- Export Benefit Receivable	35,84,521	-
- Interest Receivable	1,58,000	2,36,305
- Other Receivables	4,84,691	2,79,960
<b>Total in ₹</b>	<b>11,77,44,371</b>	<b>1,34,75,612</b>

## 19 REVENUE FROM OPERATION

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a Revenue from Sale of Manufactured Products (Gross)	5,37,52,30,261	1,32,40,63,393
b Trading Sales	12,36,09,833	1,50,560
c Sale of Services	56,09,21,675	3,79,35,000
d Less : Excise Duty	-	15,57,02,130
<b>Total in ₹</b>	<b>6,05,97,61,769</b>	<b>1,20,64,46,823</b>





# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

19.1

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>(i) Sale of products comprises of</b>		
<b>a Manufactured goods</b>		
- PNA	1,56,18,24,650	36,86,78,262
- PCP	1,23,97,67,938	43,95,66,769
- OA	66,48,99,847	-
- OCP	41,50,49,725	13,78,53,430
- 2,4 DCP	14,62,05,025	15,69,19,320
- Others	1,34,74,83,076	6,53,43,482
<b>Total - Sale of Manufactured Goods</b>	<b>5,37,52,30,261</b>	<b>1,16,83,61,263</b>
<b>b Trading Sales</b>	<b>12,36,09,833</b>	<b>1,50,560</b>
Total - Sale of Traded Goods	12,36,09,833	1,50,560
<b>Total - Sale of Products</b>	<b>5,49,88,40,094</b>	<b>1,16,85,11,823</b>
<b>(ii) Sale of services comprises of</b>		
Conversion Charges	56,09,21,675	3,79,35,000
<b>Total - Sale of Services</b>	<b>56,09,21,675</b>	<b>3,79,35,000</b>
<b>Total - Operating Revenues</b>	<b>6,05,97,61,769</b>	<b>1,20,64,46,823</b>

## 20 OTHER INCOME

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a Interest Income	45,53,601	10,12,681
b Dividend Income	14,34,523	4,16,596
c Profit / Loss on Sale of Investment	3,85,21,239	48,82,539
d Export Benefit MEIS	1,71,000	-
e Profit on Sale of Fixed Assets	-	43,752
f Foreign Exchange Gain / Loss	1,44,04,278	69,37,852
g Sale of Scrap	31,10,465	-
h VAT Refund Received	-	9,17,470
i Discount Received / Sundry Balances Written Back	2,21,093	3,94,156
j Duty Drawback Receivable	4,62,347	-
k Other Miscellaneous Income	14,26,299	2,41,073
<b>Total in ₹</b>	<b>6,43,04,845</b>	<b>1,48,46,119</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 21 COST OF MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
A Raw Material		
Opening Stock	22,48,53,877	7,20,28,260
Purchase	3,05,56,21,586	57,00,56,959
Closing Stock	19,00,29,835	2,25,16,610
Raw Material Consumed	<b>3,09,04,45,628</b>	<b>61,95,68,609</b>
B Packing Materials		
Opening Stock	42,45,509	22,70,748
Purchase	6,60,14,460	2,44,46,431
Closing Stock	36,93,357	26,02,767
Packing Consumption	<b>6,65,66,612</b>	<b>2,41,14,412</b>
C Fuel & Diesel Exp		
Opening Stock	30,08,417	12,95,030
Purchase	22,55,85,640	1,66,19,740
Closing Stock	9,40,406	13,30,450
Fuel Consumption	<b>22,76,53,651</b>	<b>1,65,84,320</b>
D Consumption of Stores & Spare Parts		
Opening Stock	85,56,058	3,50,000
Purchase	3,28,58,570	13,45,953
Closing Stock	1,01,77,350	3,50,000
Stores Consumption	<b>3,12,37,278</b>	<b>13,45,953</b>
<b>Total in ₹</b>	<b>3,41,59,03,169</b>	<b>66,16,13,294</b>

### 21.1

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a - Phenol	70,21,36,506	41,64,30,531
b - PNCB	82,23,19,896	20,96,51,362
c - ONA	49,87,18,294	-
d - Hydrogen Gas	14,62,46,069	-
e - Others	1,24,64,82,404	3,55,31,400
<b>Total in ₹</b>	<b>3,41,59,03,169</b>	<b>66,16,13,294</b>

## 22 PURCHASE OF STOCK IN TRADE

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a Purchase	11,42,10,251	-
<b>Total in ₹</b>	<b>11,42,10,251</b>	<b>-</b>



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 23 CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK-IN-TRADE

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>a Finished Goods</b>		
- Closing Stock	12,93,08,577	2,91,17,977
- Opening Stock	9,85,20,676	1,29,50,344
<b>(A)</b>	<b>3,07,87,901</b>	<b>1,61,67,633</b>
<b>b Work -In- Progress</b>		
- Closing Stock	5,50,05,089	1,50,26,812
- Opening Stock	5,27,09,856	48,50,370
<b>(B)</b>	<b>22,95,233</b>	<b>1,01,76,442</b>
<b>Total in ₹</b>	<b>3,30,83,134</b>	<b>2,63,44,075</b>

## 24 EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a Salaries & Wages	16,19,34,800	4,05,16,548
b Contribution to Provident & Other Funds	51,63,235	55,74,411
c Staff Welfare Expenses	1,28,76,223	16,59,302
<b>Total in ₹</b>	<b>17,99,74,258</b>	<b>4,77,50,261</b>

### Disclosure pursuant to Accounting Standard – 15 (Revised) 'Employee benefits'

- (a) Defined Contribution Plans Amount of ₹ 50,45,508/- (PY ₹ 18,10,041/-) towards Provident Fund is recognized as an expense & included in "Contribution to Provident and other funds" in the Profit and Loss Account.
- (b) Defined benefits plan and short term employment benefits.

### Gratuity (Defined benefits plan)

The Company has a defined benefit gratuity plan. Every employee who has completed Five years of service gets a gratuity on death or resignation or retirement at 15 days of Salary (last drawn salary) for each completed year of service. The gratuity has been provided on the basis of valuation provided by the actuary, Since gratuity has not been funded, no information as to assets has been disclosed. Further liability at the close of the year has been charged to profit & loss account.

### Gratuity is provided in the books on the basis of following assumptions:

Date of Valuation	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
Retirement age	58-60 years	58 Years
Attrition Rate	2%	2%
Future Salary Rise	5%-7%	5%
Rate of Discounting	7.76%-7.83%	7.83%
Mortality Table	Indian Assured Lives Mortality 2006-08 Ultimate	

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>Gratuity Payable</b>		
As per Actuary Valuation	1,75,45,833	89,13,084
Less : Fund Value of Investment	(90,78,800)	(55,79,481)
Balance provided in the books	84,67,033	33,33,603

## 25 FINANCE COST

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a Interest Expense	1,35,39,688	46,90,918
b Other Borrowing Cost	13,56,817	-
c Applicable net gain/loss on foreign currency transactions and translation.	-	-
<b>Total in ₹</b>	<b>1,48,96,505</b>	<b>46,90,918</b>

## 26 DEPRECIATION & AMORTISATION EXPENSES

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
a Depreciation	11,79,65,301	2,18,84,025
<b>Total in ₹</b>	<b>11,79,65,301</b>	<b>2,18,84,025</b>

## 27 OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>Manufacturing Expenses</b>		
Consumption of Power & Steam	14,16,68,835	10,83,68,838
Freight Octroi & Cartage	4,32,18,505	2,44,83,717
Repair & Maintenance	-	-
- Building	38,14,621	7,29,208
- Plant & Machinery	8,73,73,944	3,22,71,315
- Others	-	55,013
Factory Administration Charges	18,76,004	-
Conversion Charges	46,31,784	-
Insurance Charges	34,03,350	10,00,296
Water & Drainage Charges	80,96,143	21,36,880
Effluent Treatment Plant	4,90,09,562	1,37,76,130
Freight Others	9,59,804	-
Labour Charges	7,32,97,907	2,81,03,340
Loading & Unloading Exp	3,57,12,466	-
Safety & Security Charges	46,73,055	4,18,206
Laboratory Expenses	17,47,424	10,99,274
Consultancy Charges (Mfg)	55,63,321	-
Rent Rates & Taxes	3,80,000	-
Other Manufacturing Expenses	20,57,385	26,19,726
<b>Total (A)</b>	<b>46,74,84,110</b>	<b>21,50,61,943</b>



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>Office &amp; Administrative Expenses</b>		
Auditors Remuneration (Refer Note No. 27.2)		
- For Statutory Audit	7,00,000	4,78,325
- For Out of Pocket Exps	42,056	-
Printing & Stationery	21,85,931	4,24,306
Consultancy Charges	11,03,021	-
Legal & Professional Fees	1,06,17,232	52,67,501
Travelling & Conveyance Expenses	17,01,121	4,88,769
Vehicle Expenses	26,40,509	7,86,175
Office Expenses	5,63,541	9,73,040
Telephone, Courier & Postage Charges	14,19,190	2,52,836
Other Office & Administrative Expenses	1,85,22,258	16,24,106
<b>Total (B)</b>	<b>3,94,94,859</b>	<b>1,02,95,058</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertising Exps	16,31,174	-
Freight & Forwarding Charges	5,25,23,653	2,34,27,038
Bad Debts Written Off	77,68,541	-
Export Expenses	5,50,320	32,68,340
Bank Commission	38,14,129	-
Commission on Sales	41,75,211	16,35,581
Discount Allowed	30,80,512	7,80,793
Other Selling & Distribution Expenses	16,40,664	7,35,893
<b>Total (C)</b>	<b>7,51,84,204</b>	<b>2,98,47,645</b>
<b>Non Operating Expenses</b>		
Donation	1,18,402	-
- CSR Activity	97,75,000	41,02,000
- Others	2,71,127	51,000
Loss on Investment in Subsidiary	13,19,127	-
Loss on Sale of Assets	1,20,09,983	-
<b>Total (D)</b>	<b>2,34,93,639</b>	<b>41,53,000</b>
<b>Total in ₹ (A+B+C+D)</b>	<b>60,56,56,812</b>	<b>25,93,57,646</b>

## 27.1 VALUE OF IMPORTS ON CIF BASIS

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
Raw Materials and Stock-in-Trade	58,71,40,302	17,48,54,379
Capital Goods	-	-
<b>Total</b>	<b>58,71,40,302</b>	<b>17,48,54,379</b>

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 27.2 AUDITOR'S REMUNERATION

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
Auditors Remuneration		
- For Statutory Audit	7,00,000	3,15,000
- For Tax Audit	-	96,250
- For Others	42,056	67,075
<b>Total</b>	<b>7,42,056</b>	<b>4,78,325</b>

## 27.3 EARNINGS IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
FOB Value of Exports	73,94,13,472	28,61,86,289
<b>Total</b>	<b>73,94,13,472</b>	<b>28,61,86,289</b>

## 27.4 EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
Demurrage Charges	-	3,46,232
<b>Total</b>	<b>-</b>	<b>3,46,232</b>

## 27.5 CONTINGENT LIABILITIES AND COMMITMENTS

(To the extent not provided for)

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
<b>(i) Contingent Liabilities</b>		
- Letter of Credit, Bank Guarantees & Bills discounted	44,71,455	9,70,78,930
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	20,81,71,401	53,67,011
<b>TOTAL</b>	<b>21,26,42,856</b>	<b>10,24,45,941</b>



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 28 EARNING PER SHARE (EPS)

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
Profit for the year After the impact of scheme of merger	1,33,23,53,593	-
Profit for the year before the impact of scheme of merger	1,21,26,94,831	16,33,76,562
The Weighted average number of Equity Shares for Basic Earnings Per Share*	1,21,49,218	58,64,350
The Weighted average number of Equity Shares for Diluted Earnings Per Share**	1,39,82,305	58,64,350
Nominal Value of Equity Share	10	10
Basic Earnings Per Share		
- Before Impact of Scheme of Merger	99.82	27.86
- After Impact of Scheme of Merger	109.67	-
Diluted Earnings Per Share		
- Before Impact of Scheme of Merger	86.73	27.86
- After Impact of Scheme of Merger	95.29	-

\*For the purposes of computation of basic earning per shares the equity shares to be issued against the Equity Share Suspense account pursuant to the Scheme of Merger by Absorption have been considered in the weighted average shares during the period.

\*\*For the purposes of computation of diluted earning per shares the dilutive impact of Optionally Convertible Preference Shares to be issued against the Optionally Convertible Preference Share Suspense account pursuant to the Scheme of Merger by Absorption have been considered in the weighted average shares during the period.

### 28.1 Number of Shares for Computation of EPS

	Basic	Diluted
Existing	58,64,350	58,64,350
On Merger - Equity Shares	62,84,868	62,84,868
- OCPS (Convertible into Equity in the ratio of 1:1)	-	18,33,087
	1,21,49,218	1,39,82,305

Previous year's figures are regrouped / rearranged wherever required

As per our report of even date attached

For **Gokhale & Sathe**

Chartered Accountants

(Firm Regn No.103264W)

**Tejas Parikh**

Partner

M.No.123215

Place: Mumbai

Date :- 27<sup>th</sup> May, 2019

For Valiant Organics Limited

**Mr. Arvind Chheda**

(Managing Director)

DIN: 00299741

**Vyoma Vyas**

(Company Secretary)

**Mr. Mahek Chheda**

(Whole Time Director)

DIN: 06763870



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 29 DIVIDEND

The directors have recommended the payment of dividend of ₹ 7 (31<sup>st</sup> March 2018 ₹ 4) per Fully paid equity share. This will result into an outgo of ₹ 8,50,44,526. As on date the process of listing of OCPS is in progress. Per the scheme of merger with Amarjyot, the OCPS on listing can be converted into Equity Shares in the ratio of 1:1. The OCPS so converted into Equity shares as on record date would also be eligible for receiving the Dividend at ₹ 7 per Share.

**30** CSR Amount required to be spent as per section 135 of the companies Act, 2013 read with schedule VII thereof by the Company During the year is ₹ 39,24,485 (Previous Year ₹ 29,73,488).

## 31 MERGER OF AMARJYOT CHEMICAL LIMITED WITH THE COMPANY

The Shareholders of the Company approved the Scheme of Merger ('Scheme') between the Company and Amarjyot Chemical Limited with an appointed date of 1<sup>st</sup> October 2017 whereby all the assets and liabilities of Amarjyot Chemical Limited which were transferred to and vested in the Company have been recorded at their book values from the appointed date. Amarjyot Chemical Limited was engaged in the business of Manufacture and sale of Chemicals. Amarjyot Chemical Limited had 3 manufacturing units in Gujarat.

The Said Scheme received the approval of the NCLT Mumbai Bench on 8<sup>th</sup> March 2019 and subsequent to the approvals by the relevant regulatory authorities; the Scheme has become effective 19<sup>th</sup> April 2019. Since the Scheme received all the requisite approvals after the financials statements for the year ending 31<sup>st</sup> March 2018 were authorised by the

shareholders, the impact of merger has been given in the current financial year with effect from the appointed date.

In accordance with the provisions of the aforesaid Scheme,

- i) The approved share swap ratio is 72 equity shares of face value of ₹ 10 each fully paid up of the Company and 21 optionally convertible preference shares ( OCPS ) of ₹ 10 each of the company for every 100 equity shares of ₹ 10 each held in Amarjyot Chemical Limited & 1 Redeemable Non-cumulative preference share (RNPS) of ₹ 100 each in the Company for every Redeemable Non-cumulative preference share of ₹ 100 each in Amarjyot Chemical Limited accordingly, for a total consideration of ₹ 8,50,19,550 the company has allotted and issued 62,84,868 equity shares of ₹ 10 each and 18,33,087 OCPS of ₹ 10 each and 38,400 RNPS of ₹ 100 each to the shareholders of erstwhile Amarjyot Chemicals Limited.
- ii) The Merger is accounted under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Merger approved by NCLT Mumbai Bench
- iii) The transfer of assets and liabilities of Amarjyot Chemical Limited at Book value has been effected from the "Appointed Date" of 1<sup>st</sup> October 2017 as defined in the Scheme.
- iv) Accounting policies of Amarjyot Chemical Limited has been aligned with the company's accounting policies
- v) Book Value of Assets and Liabilities acquired from Amarjyot Chemical Limited





# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

<b>(1) Non-Current Assets</b>	
(a) Fixed Assets	
(i) Tangible Assets	67,31,12,197
(ii) Capital Work-in-Progress	11,78,26,247
(iii) Intangible Assets	13,40,05,951
(b) Non Current Investments	15,000
(c) Long-Term Loans and Advances	1,87,10,057
<b>Sub - Total (D)</b>	<b>94,36,69,452</b>
<b>(2) Current Assets</b>	
(a) Inventories	19,82,09,766
(b) Trade Receivables	45,55,30,037
(c) Cash and Cash Equivalents	1,91,52,008
(d) Short-Term Loans and Advances	9,58,59,980
(e) Other Current Assets	7,81,456
<b>Sub - Total (E)</b>	<b>76,95,33,247</b>
<b>Total Assets (D+E)</b>	<b>1,71,32,02,699</b>
<b>(1) Non-Current Liabilities</b>	
(a) Deferred Tax Liabilities (Net)	7,28,66,159
(b) Long Term Borrowings	21,06,24,575
(c) Long Term Provisions	42,85,923
<b>Sub - Total (A)</b>	<b>28,77,76,657</b>
<b>(2) Current Liabilities</b>	
(a) Short Term Borrowings	21,98,90,025
(b) Trade Payables	41,21,53,891
(c) Short-Term Provisions	5,63,39,909
<b>Sub - Total (B)</b>	<b>68,83,83,826</b>
<b>Total Liabilities (A+B)</b>	<b>97,61,60,483</b>
<b>Net Assets Taken Over</b>	<b>73,70,42,217</b>
<b>Purchase Consideration (Refer note)</b>	<b>8,50,19,550</b>
<b>Capital Reserve</b>	<b>65,20,22,667</b>
<b>Adjustment to Capital Reserves</b>	
- <i>Goodwill net off Deferred Tax Liability</i>	84,94,385
- <i>Investment in Equity of Amarijot Chemical Limited</i>	25,00,000
<b>Balance Capital Reserve</b>	<b>64,10,28,282</b>

<b>Note : Shares to be issued on Merger - Share Suspense Account</b>	<b>No. of Shares</b>	<b>Face Value</b>	<b>Amount</b>
Equity	62,84,868	10	6,28,48,680
OCPS	18,33,087	10	1,83,30,870
RPS	38,400	100	38,40,000
<b>Total</b>	<b>81,56,355</b>		<b>8,50,19,550</b>

- v) During the year ended 31<sup>st</sup> March 2018, Amarijot Chemicals Limited has declared and paid interim/final dividend of ₹ 2 per share aggregating to ₹ 1,74,88,760/- and tax thereon ₹ 35,94,868/- The interim/final dividend paid is in accordance with the scheme approved by the NCLAT.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

- vi) Operations of Amarjyot Chemical Limited from 1<sup>st</sup> October 2017 to 31<sup>st</sup> March 2018 as detailed below, have been accounted for in the current year's statement of profit and loss, after the profit for the year before the impact of the Scheme of Merger.

Revenue from operations	1,28,02,98,429
Other Income	1,19,96,954
<b>Total Revenue</b>	<b>1,29,22,95,383</b>
<b>Expenses</b>	
Cost of material consumed	80,31,04,762
Purchase of Stock-in-Trade	4,29,68,026
Changes in inventories of finished goods, WIP and Stock-in-Trade	(7,25,24,706)
Employee Benefit Expenses	4,55,32,624
Financial Cost	2,75,64,905
Depreciation and Amortization Expense	4,50,01,685
Other Expenses	22,06,72,157
<b>Total Expenses</b>	<b>1,11,23,19,452</b>
<b>Profit before tax</b>	<b>17,99,75,931</b>
Tax Expense	
Current tax	1,61,00,000
Mat Credit Utilised / (Entitlement)	3,93,00,000
Deferred tax	49,17,169
<b>Profit After tax</b>	<b>11,96,58,762</b>

## 32 PREVIOUS YEAR FIGURES

Figures for the previous year are not comparable as the same does not include the effect of the Scheme of Amalgamation. Figures for the previous year have been regrouped wherever necessary.

## 33 RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD :

- I Following are the Subsidiaries of the Company as defined in para 3(a) of Accounting Standard - 18.

Name of Subsidiary	Country of Incorporation	Proportion of ownership interest
Dhanvallabh Ventures LLP	India	65.00%
Bharat Chemicals (Through Dhanvallabh Ventures LLP as partner)	India	62.50%

- II Following are the Ventures or the Investing Parties as defined in para 3(b) of the Accounting Standard - 18.

N.A.

- III Following are the Enterprises / Firms over which controlling Individuals / Key Management Personnel, of the Company along with their relatives, have significant influence as defined in para 3(e) of the Accounting Standard - 18.

Novel Spent Acid Management

Shanti Intermediates Pvt.Ltd.



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2019

**IV Following are the individuals who with their relatives as defined in para 3(c) and 3(d) of the Accounting Standard - 18 own Directly / Indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel.**

1	Mr. Arvind K. Chheda	Managing Director (From 19 <sup>th</sup> April-2019, Whole time Director Till 19 <sup>th</sup> April-2019)
2	Mr. Hemchand L. Gala	Chairman / Managing Director (Till 19 <sup>th</sup> April-2019)
3	Mr. Vishnu J. Sawant	Whole Time Director
4	Mr. Mahek M. Chheda	Whole Time Director
5	Mr. Mahesh M. Savadia	Whole Time Director
6	Mr. Dinesh S. Shah	Whole Time Director (In the erstwhile Amarjyot Chemical Ltd.)
7	Mr. Bijal D. Modi	Director (In the erstwhile Amarjyot Chemical Ltd.)
8	Mr. Bhavesh D. Seth	Director (In the erstwhile Amarjyot Chemical Ltd.)
9	Mr. Pankaj S. Shah	Relative of Director (In the erstwhile Amarjyot Chemical Ltd.)
10	Mr. Siddharth D. Shah	Relative of Director (In the erstwhile Amarjyot Chemical Ltd.)
11	Mr. Nemin M. Savadia	Relative of Director
12	Ms. Vyoma Vyas	Company Secretary

**(A) Details relating to parties referred to in items I, II, III and IV above.**

(Amount in ₹)

Description of Transaction	Year	Subsidiaries (I)	Other Related Enterprises (II and III)	Key Management Personnel and their relatives (IV)
1 Sale of Goods	CY		4,47,95,000	-
	PY		-	-
2 Receiving of Services	CY		1,10,07,845	-
	PY		-	-
3 Investment during the year	CY	6,35,80,000	-	-
	PY	-	-	-
4 Outstanding items pertaining to the related parties at the balance sheet date.: Receivable/(Payable) (Increase) / Decrease in Trade & Other Receivables	CY		-	6,92,29,889
	PY		-	2,12,220

**(A) Details relating to persons referred to in item IV above**

(Amount in ₹)

Description of Transaction	For the Year Ended 31 <sup>st</sup> March, 2019	For the Year Ended 31 <sup>st</sup> March, 2018
1 Directors/ KMP Remuneration #	1,41,20,456	1,30,08,042
2 Commission to Directors	1,85,22,074	-
<b>Total</b>	<b>3,26,42,530</b>	<b>1,30,08,042</b>

# Excluding the payments made to Independent Directors and Relatives of Directors and Key Managerial Personnel

As per our report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
(Firm Regn No.103264W)

**Tejas Parikh**

Partner  
M.No.123215

Place: Mumbai

Date :- 27<sup>th</sup> May, 2019

For Valiant Organics Limited

**Mr. Arvind Chheda**

(Managing Director)  
DIN: 00299741

**Vyoma Vyas**

(Company Secretary)

**Mr. Mahek Chheda**

(Whole Time Director)  
DIN: 06763870

# Independent Auditors' Report

## To the Members of Valiant Organics Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Valiant Organics Limited ("the Holding Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its subsidiaries as at 31<sup>st</sup> March 2019, the consolidated profit and its consolidated cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under

section 143(10) of the Act (SAs). 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 Holding Company and its subsidiaries, 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 made 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 audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Auditors' Response
1	<p>Impact of the Scheme of Merger of Amarjyot Chemicals Limited with Holding Company.</p> <p>The Shareholders of the Holding Company approved the Scheme of Merger ("Scheme") between the Company and Amarjyot Chemical Limited with an appointed date of 1<sup>st</sup> October 2017, whereby all the assets and liabilities of Amarjyot Chemical Limited will be transferred to the Company at their respective book values as on appointed date.</p> <p>The said scheme received approval of NCLT vide its order dated 8<sup>th</sup> March 2019 and hence the impact of scheme of merger has been given in the current financial year with effect from 1<sup>st</sup> October 2017.</p> <p>This being significant transaction during the current financial year which involves exercise of judgement and interpretation of Accounting Standards and assessment of accounting treatment pursuant to merger, the same has been considered as a key audit matter.</p>	<p>In respect of accounting treatment applied in the financial statements pursuant to merger of Amarjyot Chemical Limited (the transferor Company) with the Holding Company, our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the scheme of merger of Amarjyot Chemical Limited (Transferor Company") with the Holding Company</li> <li>• Evaluating whether the measurement, recognition and disclosure of the said transaction is accordance with applicable accounting standards and as per scheme.</li> <li>• Performed testing procedures to ensure accounting entries for transfer of assets and liabilities of Amarjyot Chemical Limited wef 1<sup>st</sup> October 2017 are recorded in the books of accounts of the Holding Company, is in line with accounting treatment mentioned in scheme of merger including assessing arithmetical accuracy of the same.</li> <li>• We have reviewed audited financial statements of Amarjyot Chemical Limited for FY 2018. We have also obtained audited profit and loss account statement for the period 1<sup>st</sup> October 2017 to 31<sup>st</sup> March 2018 from the Management to give impact of scheme of merger in the current financial year.</li> <li>• Verified whether accounting policies of Amarjyot Chemical Limited are aligned with that of the Holding Company.</li> <li>• Obtained necessary explanations from management of the Holding Company.</li> </ul>



Sr. No	Key Audit Matters	Auditors' Response
2	<p>Valuation of Inventories</p> <p>Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Accounting Standard 2: "Valuation of Inventories".</p> <p>The correctness, completeness and valuation of inventories are critical to reflect true and fair financial results of operations and hence the same is considered as key audit matter</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>We assessed the Holding Company process regarding Maintenance of records, valuation and accounting of transactions relating to Inventory as per Accounting Standard</li> <li>We have evaluated the design of Internal Controls relating to recording and valuation of Inventory.</li> <li>We have obtained necessary explanations from management regarding judgement exercised for valuation of work in progress.</li> <li>We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to inventories.</li> <li>We have visited manufacturing facilities of the Holding Company during the course of audit and undertaken physical verification of inventories on test check basis</li> <li>We have obtained from management necessary information and explanation to undertake audit of inventories.</li> </ul>

### Information other than the consolidated financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information included in the Annual Report but does not include the 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during 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.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's 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, consolidated financial performance and consolidated cash flows of the Holding Company and its subsidiaries in accordance

with the accounting principles generally accepted in India. The Board of Directors of the Holding Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its subsidiaries and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the Holding Company are responsible for assessing the Holding Company and its subsidiaries' 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 Holding Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company are also responsible for overseeing the financial reporting process of the Holding Company and its subsidiaries.

### Auditor's Responsibilities for the Audit of 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 concluded 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 a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries have adequate internal financial controls system 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 ability of the Holding Company and its subsidiaries 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 Holding Company and its subsidiaries 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 matter that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and its subsidiaries, to express an opinion on the consolidated financial statements. We are responsible for direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

We communicate with 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 financial statements of one subsidiary and one indirect subsidiary, whose financial statements reflect total assets of ₹ 73,25,73,432 as at March 31, 2019, total revenues of ₹ 88,84,16,646, total net loss of ₹ 6,44,911, net cash outflows of ₹ 42,08,703 for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiaries and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is solely based on the audit reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of other auditors.



## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of accounts 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 and Consolidated Cash Flow Statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2019 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 over financial reporting 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 does not have any pending litigations which would impact consolidated financial position.
    - ii. The Holding Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For GOKHALE & SATHE  
Chartered Accountants  
Firm Registration Number: 103264W

CA Tejas J. Parikh  
Partner  
Membership Number: 123215

Place: Mumbai  
Date: May 27, 2019



# Annexure “A” to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Valiant Organics Limited of even date)**

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

We have audited the internal financial controls over financial reporting of Valiant Organics Limited (“the Holding Company”) as on March 31, 2019 in conjunction with our audit of the consolidated financial statements of Valiant Organics Limited (hereinafter referred to as “Holding Company”) and its subsidiaries for the year ended on that date.

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

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective entity’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 Act.

## **Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation 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.

## **Limitations of Internal Financial Controls Over Financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over





financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective entities considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GOKHALE & SATHE  
Chartered Accountants  
Firm Registration Number: 103264W

CA Tejas J. Parikh  
Partner  
Membership Number: 123215

Place: Mumbai  
Date: May 27, 2019



# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019
<b>I EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders Funds</b>		
(a) Share Capital	1	5,86,43,500
(b) Reserves and Surplus	2	2,45,00,32,053
<b>Sub - Total (A)</b>		<b>2,50,86,75,553</b>
<b>Share Capital Pending Allotment</b>	3	8,50,19,550
<b>Sub - Total (B)</b>		<b>8,50,19,550</b>
<b>(2) Minority Interest</b>		11,62,67,500
<b>Sub - Total (C)</b>		<b>11,62,67,500</b>
<b>(3) Non-Current Liabilities</b>		
(a) Long Term Borrowings	4	44,25,84,028
(b) Deferred Tax Liabilities (Net)	5	12,86,43,827
(c) Long Term Provisions	6	2,58,86,846
<b>Sub - Total (C)</b>		<b>59,71,14,701</b>
<b>(4) Current Liabilities</b>		
(a) Short Term Borrowings	7	32,65,90,943
(b) Trade Payables	8	
1) Total Outstanding Dues of Micro enterprises and Small Enterprises; and		
2) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		74,28,35,708
(c) Short-Term Provisions	9	2,43,52,984
(d) Other Current Liabilities	10	8,11,67,713
<b>Sub - Total (D)</b>		<b>1,17,49,47,348</b>
<b>Total (A+B+C+D+E)</b>		<b>4,48,20,24,651</b>
<b>II. ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Property Plant and Equipment	11	
(i) Tangible Assets		1,43,12,40,042
(ii) Intangible Assets		6,57,04,031
(iii) Capital Work-in-Progress		65,56,05,946
(b) Non Current Investments	12	1,80,79,049
(c) Long-Term Loans and Advances	13	12,67,16,432
<b>Sub - Total (F)</b>		<b>2297345500</b>
<b>(2) Current Assets</b>		
(a) Current Investments	14	10,46,84,414
(b) Inventories	15	47,90,99,080
(c) Trade Receivables	16	1,41,37,77,282
(d) Cash and Cash Equivalents	17	3,63,78,154
(e) Short-Term Loans and Advances	18	15,07,40,224
<b>Sub - Total (G)</b>		<b>2,18,46,79,154</b>
<b>Total (F+G)</b>		<b>4,48,20,24,651</b>

Notes to accounts form integral part of accounts

As per our report of even date attached

For **Gokhale & Sathe**

Chartered Accountants

(Firm Regn No.103264W)

For Valiant Organics Limited

**Tejas Parikh**

Partner

M.No.123215

**Mr. Arvind Chheda**

(Managing Director)

DIN: 00299741

**Mr. Mahek Chheda**

(Whole Time Director)

DIN: 06763870

Place: Mumbai

Date :- 27<sup>th</sup> May, 2019

**Vyoma Vyas**

(Company Secretary)



# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Notes	For the Year Ended 31 <sup>st</sup> March, 2019
<b>I Revenue from operations</b>	19	6,92,30,24,546
<b>II Other Income</b>	20	8,72,68,879
<b>III Total Revenue (I +II)</b>		<b>7,01,02,93,425</b>
<b>IV Expenses:</b>		
Cost of material consumed	21	4,17,56,23,350
Purchase of Stock-in-Trade	22	11,42,10,251
Changes in inventories of finished goods, WIP and Stock-in-Trade	23	-2,62,74,879
Employee Benefit Expenses	24	18,48,30,580
Finance Cost	25	3,67,65,487
Depreciation and Amortization Expense	26	13,64,12,166
Other Expenses	27	67,65,82,166
<b>Total Expenses (IV)</b>		<b>5,29,81,49,121</b>
<b>V Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,71,21,44,304</b>
<b>VI Exceptional Items</b>		-
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<b>1,71,21,44,304</b>
<b>VIII Extraordinary Items</b>		-
<b>IX Profit before tax (III - IV)</b>		<b>1,71,21,44,304</b>
<b>X Tax expense:</b>		
(1) Current tax		48,01,31,200
(2) Short / (Excess) provision for tax of earlier year(s)		18,48,621
(3) Deferred tax		1,76,60,819
<b>XI Profit for the year before the impact of scheme of merger</b>		<b>1,21,25,03,664</b>
<b>XII Impact of Scheme of merger relating to F.Y.2017-18</b>		<b>11,96,58,762</b>
<b>XIII Profit/(loss) attributable to the shareholders of the company</b>		<b>1,21,26,94,831</b>
<b>XIV Less :Profit/(loss) attributable to minority interest</b>		<b>(1,91,167)</b>
<b>XV Profit for the year After the impact of scheme of merger</b>		<b>1,33,23,53,593</b>
<b>XVI Earnings Per Share - Basic and Diluted</b>	28	
Before the impact of scheme of merger		
(1) Basic		99.82
(2) Diluted		86.73
After the impact of scheme of merger		
(1) Basic		109.67
(2) Diluted		95.29
Notes to accounts form integral part of accounts		

As per our report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
(Firm Regn No.103264W)

For Valiant Organics Limited

**Tejas Parikh**  
Partner  
M.No.123215

**Mr. Arvind Chheda**  
(Managing Director)  
DIN: 00299741

**Mr. Mahek Chheda**  
(Whole Time Director)  
DIN: 06763870

Place: Mumbai  
Date :- 27<sup>th</sup> May, 2019

**Vyoma Vyas**  
(Company Secretary)

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>(A) Cash Flow from Operating Activities</b>	
Net Profit Before Tax And Extra Ordinary Items	1,71,21,44,304
Adjustments For:	
Add:	
Interest Paid	3,67,65,488
Loss on Sale of Asset	1,20,09,983
Loss on investment in subsidiary	-
Depreciation	13,64,12,166
Less:	
Interest Income	51,91,271
Profit on sale of investment	3,85,21,239
Lease Rent	1,80,00,000
Dividend Income	14,34,523
Operating Profit Before Working Capital Changes	1,83,41,84,908
Adjustments for: Working Capital	
Add/(Less):	
(Increase) / Decrease in Trade & Other Receivables	(42,50,13,306)
Increase / ( Decrease ) in Trade Payable & Other Provisions	(8,73,09,524)
(Increase) / Decrease in Inventories	(2,92,84,384)
Cash Generated from Operation	1,29,25,77,694
Less:	-
Direct Taxes Paid	(47,49,01,214)
Cash Flow Before Extraordinary item	-
Add/(Less):	-
Extraordinary items	-
<b>Net Cash From Operating Activities (A)</b>	<b>81,76,76,480</b>
<b>(B) Cash Flow From Investing Activities</b>	
Addition to Fixed Assets / CWIP (net)	(88,99,53,612)
Increase in Investments	(1,69,28,374)
Loans and advances given	(5,78,61,494)
Interest Income	51,91,271
Lease Rent	1,80,00,000
Dividend Income	14,34,523
<b>Net Cash from Investing Activities (B)</b>	<b>(94,01,17,686)</b>



# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>(C) Cash Flow From Financing Activities</b>	
Proceeds / Repayment from Borrowings	15,15,49,256
- Capital introduced	8,86,21,108
- Proceeds / Repayment from Borrowings	6,29,28,148
Proposed Dividend & Tax thereon	(10,47,29,638)
Interest Paid	(3,67,65,488)
<b>Net Cash from / (Used) in Financing Activities (C)</b>	<b>1,00,54,130</b>
	-
<b>Net Increase / (Decrease): in Cash and Cash Equivalents (A+B+C)</b>	<b>(11,23,87,076)</b>
Opening Balance of Cash and Cash Equivalents	12,55,90,571
Add : Cash & Cash Equivalents of merging Entity ( Opening )	2,31,74,659
Closing Balance of Cash and Cash Equivalents	3,63,78,154

As per our report of even date attached  
For **Gokhale & Sathé**  
Chartered Accountants  
(Firm Regn No.103264W)

**Tejas Parikh**  
Partner  
M.No.123215

Place: Mumbai  
Date :- 27<sup>th</sup> May, 2019

For Valiant Organics Limited

**Mr. Arvind Chheda**  
(Managing Director)  
DIN: 00299741

**Vyoma Vyas**  
(Company Secretary)

**Mr. Mahek Chheda**  
(Whole Time Director)  
DIN: 06763870

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## SIGNIFICANT ACCOUNTING POLICIES:

### A Background :

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Dhanvallabh Ventures LLP	India	65.00%

### B Accounting Basis

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the entity. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

### C Principles of Consolidation :

- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – Consolidated Financial Statements.
- (ii) The Consolidated Financial Statements are prepared first time using the Financial Statements of the Parent Company and Subsidiary entities(s) drawn up to the same reporting date i.e. 31<sup>st</sup> March, 2019 and hence the comparative figures are not available.
- (iii) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of the subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- (iv) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.
- (v) As far as possible, the consolidated financial statements have been prepared using uniform Accounting Policies

for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.

### C Revenue Recognition

- i Revenue is recognized to the extent that it is possible that economic benefits will flow to the Company and can be reliably measured.
- ii Revenue from sales of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recorded net of trade discounts, rebates and Indirect Taxes ( GST ).
- iii Revenue from Conversion, Sale of Scrap and obsolete stores is accounted for at the time of dispatch / disposal.
- iv Export entitlements are recognized on realization.
- v Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- vi Dividend income is recognised when right to receive is established.

### D Property, plant and equipment

#### Tangible Assets

- i Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii Subsequent additions are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- iii Other Indirect Expenses including borrowing costs in accordance with Accounting Standard 16 - Borrowing Costs incurred relating to project, net of income earned during the project development stage prior



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

## Capital Work-In-Progress

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress, are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

## E Depreciation and Amortisation

### Tangible Assets

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) method as per rates prescribed in Schedule II of the Companies Act, 2013, except in the respect of the following assets, where useful life of asset is different than those prescribed in Schedule II of the Act.

## F Impairment of Tangible and Intangible Assets

- i The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- ii An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money

and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## G Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

## H Investments

Current investments are valued at cost or market value whichever is less. Long term investments are stated at cost less provision for permanent diminution in value if any, of investments.

## I Valuation of Inventories:

Inventories are valued at lower of Cost and Net Realizable Value, Whichever is lower, following weighted average cost of materials for the period.

Inventories have been valued on the following basis:

- i Raw Materials, Packing Material, Stores and Spares - At lower of cost and net realizable value.
- ii Work-in-Process - At lower of cost plus appropriate allocation of overheads and net realizable value.
- iii Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

## J Employee Benefit Expenses

### Short-term benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### Post retirement benefits:

#### Defined Benefit Plans

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

to LIC. Gratuity liability is accrued on the basis of actuarial valuation at the year end.

Defined benefit costs in the nature of current and past service cost, net interest expense or income and re-measurements, comprising of actuarial gains and losses, the effect of changes to the asset ceiling (excluding amounts included in net interest or the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized in the statement of profit and loss in the period in which they occur.

#### Provident fund:

The Company has a provident fund scheme which is a defined contribution Scheme. Defined contribution is charged to the Profit and Loss statement.

## K Taxes on Income

Tax on Income comprises current tax and deferred tax. These are recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognized outside the statement of profit and loss is

recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets 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 substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

#### Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

## L Foreign Currency Transactions & Translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.





# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## M Provisions, Contingent Liability and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates required to be settled the obligation at the Balance Sheet date.

Contingent liabilities are not disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

## N Earnings Per Share

i Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

## O Segment Reporting as per Accounting Standard - 17

i Business Segment as Primary Segment

The Company is considered to be a single segment Company engaged in Chemical business, hence the disclosure requirement as per AS-17 'Business Segments as Primary' is not attracted.

ii Geographical Segments as Secondary Segments

Particulars	
Segment Revenue	31st March, 2019
a) Exports	74,21,55,472
b) In India	6,18,08,69,074
<b>Total</b>	<b>6,92,30,24,546</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 1 SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
<b>a AUTHORIZED CAPITAL</b>	
105,00,000 Equity Shares of ₹ 10/- each.	10,50,00,000
	<b>10,50,00,000</b>
<b>b ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b>	
<b>i Equity Share Capital</b>	
5864350 Nos (P.Y 5864350 nos) Equity Shares of ₹ 10/- each fully paid-up.	5,86,43,500
<b>Total in ₹</b>	<b>5,86,43,500</b>

### 1.1 The Reconciliation of the number of shares outstanding is set out below

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
Shares outstanding at the beginning of the year	58,64,350
Add : Shares Issued during the year	-
Less : Shares bought back during the year	-
Shares outstanding at the end of the year	58,64,350

### 1.2 The details of Equity Shareholders holding more than 5% Shares

(Amount in ₹)

Name of the Shareholder	As at 31 <sup>st</sup> March, 2019	
	No of Shares	% of Holding
Mr. Arvind K. Chheda	4,27,738	7.29
Mr. Bhanumati M. Savla	4,51,130	7.69
Mrs. Aarti R. Gogri	2,91,721	4.97
Mrs. Manisha R. Gogri	7,09,129	12.09
Mrs. Jaya C. Gogri	3,20,336	5.46

### 1.3 Terms / Rights attached to Equity Shares

The Company has only one class of Shares referred to as Equity Shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. the distribution will be in proportion to the number of equity shares held by the shareholder.



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 2 RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
<b>a Capital Reserve</b>	
Opening Balance	14,36,01,636
Addition:	
<b>Pursuant to the Scheme of Amalgamation</b>	64,10,28,282
Deduction:	
<b>Closing Balance</b>	<b>78,46,29,918</b>
<b>b Securities Premium</b>	
Opening Balance	-
Add :	-
Less :	-
<b>Closing Balance</b>	<b>-</b>
<b>c Surplus (Balance in Profit &amp; Loss Account)</b>	
Opening Balance	38,25,44,640
<b>Addition:</b>	
Net Profit / (Loss) for the year	1,33,23,53,591
<b>Deduction:</b>	
Interim Dividend	(5,04,05,378)
Tax on Interim Dividend	(60,75,603)
Transfer to General Reserve	(13,05,27,082)
<b>Closing Balance</b>	<b>1,52,78,90,168</b>
<b>d General Reserve</b>	
Opening Balance	69,84,885
<b>Addition:</b>	
<b>Deduction:</b>	
Proposed Final Dividend	-
Tax on Proposed Final Dividend	-
Transfer from P&L A/c	13,05,27,082
<b>Closing Balance</b>	<b>13,75,11,967</b>
<b>Total in ₹</b>	<b>2,45,00,32,053</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 3 SHARE CAPITAL PENDING ALLOTMENT

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
<b>Share capital pending allotment under the Scheme of merger of Amarjyot Chemical Limited</b>	
- 6284868 Equity Shares of ₹ 10 each	<b>6,28,48,680</b>
- 1833087 Optionally Convertible Preference Shares of ₹ 10 each	1,83,30,870
- 38400 Redeemable Non-Cumulative Preference Shares of ₹ 100 each	38,40,000
	<b>8,50,19,550</b>

### 3.1 Rights Attached to the Equity Shares

The Equity shares to be issued and allotted, shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

### 3.2 Rights attached to Optionally Convertible Preference Shares (OCPS) Pursuant to Merger with erstwhile Amarjyot Chemical Limited

- 1) Will be listed on the SME platform of BSE Limited i.e. where the equity shares of the Company are listed.
- 2) Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.
- 3) 1 (one) OCPS, convertible into 1 (one) equity share of the Company
- 4) Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.
- 5) The Equity shares issued and allotted, upon conversion shall rank pari passu in all respects including dividend with the existing Equity shares of the Company.

### 3.3 Rights attached to Redeemable Non Cumulative Preference Shares (RNPS) Pursuant to Merger with erstwhile Amarjyot Chemical Limited

The Company has an option to redeem the RNPS at any time after the end of 6(Six) months from the date of allotment. If the Company exercises its call option, it will pay the amount of the face value of the RNPS. For the redemption period, period of issue in Amarjyot Chemical Limited will be reduced.

## 4 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a Secured loan	
- Term Loans / ECB From Banks	21,79,34,852
b Unsecured Loans	
- From Related Parties	5,22,86,000
- From Others	17,23,63,176
	-
<b>Total in ₹</b>	<b>44,25,84,028</b>



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 5 DEFERRED TAX LIABILITY

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
Deferred Tax Liability	
Opening	3,66,89,472
<b>Pursuant to the Scheme of Amalgamation</b>	7,42,93,536
Add: On Fixed Assets	1,76,60,819
Less: On Accrued benefit to Employees	-
	-
<b>Total in ₹</b>	<b>12,86,43,827</b>

## 6 LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a Provision For Employees Benefit	99,56,299
- Provision for Gratuity	85,74,927
- Provision for Leave Salary	13,81,372
	-
b Other Long Term Provisions	-
Income Tax Provisions Net of Advance Tax & TDS	1,59,30,547
	-
<b>Total in ₹</b>	<b>2,58,86,846</b>

## 7 SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a Secured Loans	
- Bank Over Draft	18,45,56,272
- Term Loans From Bank	-
b Unsecured Loans	
- Related Parties	-
- Others	14,20,34,671
<b>Total in ₹</b>	<b>32,65,90,943</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 8 TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
Trade Payables	
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	-
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	74,28,35,708
<b>Total in ₹</b>	<b>74,28,35,708</b>

In the absence of necessary information relating to the registration status of supplier under The Micro, Small & Medium Enterprises Development Act, 2006 with the company, the information under the said Act could not be disclosed.

## 9 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a Provision For Employees Benefit	2,42,92,834
- Provision for Gratuity	-
- Provision for Leave Salary	8,86,598
- Provision for Wages, Bonus & Ex-Gratia	2,34,06,236
b others	60,150
<b>Total in ₹</b>	<b>2,43,52,984</b>

## 10 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a Current Maturity Of Long Term Debt	5,71,60,231
b Statutory Dues	87,08,737
c Other Miscellaneous Provision	1,51,67,545
d Provision for Tax	1,31,200
<b>Total in ₹</b>	<b>8,11,67,713</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 11 PROPERTY PLANT & EQUIPMENT

(Amount in ₹)

Sr. No	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		As on 1 <sup>st</sup> April, 2018	Revaluation	Addition	Disposal Deduction	As on 31 <sup>st</sup> March, 2019	Adjustment for Sales	For the period	As on 31 <sup>st</sup> March, 2019	As on 31 <sup>st</sup> March, 2018
<b>I</b>	<b>Tangible Assets</b>									
a	Land	13,48,23,208	2,96,41,910	90,83,292	12,50,000	17,22,98,410	22,49,417	21,81,676	16,91,17,317	13,25,73,791
b	Building	19,86,25,463	5,25,87,580	3,74,98,963	-	28,87,12,006	4,24,46,618	81,02,013	23,81,63,375	15,61,78,845
c	Plant & Machinery	1,37,89,06,556	-	16,51,36,408	9,60,923	1,54,30,82,041	47,72,78,243	8,19,21,627	98,42,41,573	90,16,28,313
d	Electrical Installations	37,46,647	-	38,01,032	-	75,47,678	17,86,608	5,66,664	51,94,406	19,60,039
e	Furniture and Fixtures	1,00,26,702	-	35,41,449	12,484	1,35,55,666	23,62,031	11,860	1,01,76,888	76,64,671
f	Vehicles	2,83,19,804	-	65,59,793	1,47,425	3,47,32,172	1,55,18,563	59,328	1,69,12,704	1,28,01,241
g	Computers	75,37,274	2,96,520	22,15,696	-	1,00,49,490	56,44,776	16,48,658	27,56,056	18,92,498
h	Office Equipments	62,65,889	-	14,40,101	30,163	76,75,826	34,98,841	8,96,855	33,16,494	27,67,048
i	Laboratory Equipments	18,55,681	-	3,34,374	-	21,90,054	6,68,162	1,60,667	13,61,228	11,87,519
	<b>Sub-Total (I)</b>	<b>1,77,01,07,222</b>	<b>8,25,26,010</b>	<b>22,96,11,107</b>	<b>24,00,995</b>	<b>2,07,98,43,344</b>	<b>55,14,53,259</b>	<b>17,16,953</b>	<b>1,43,12,40,041</b>	<b>1,21,86,53,963</b>
<b>II</b>	<b>Intangible Assets</b>									
a	Goodwill	19,77,25,806	-	-	-	19,77,25,806	9,44,76,613	3,75,45,162	6,57,04,031	10,32,49,193
b	Technical Knowhow	1,50,00,000	-	-	-	1,50,00,000	1,50,00,000	-	1,50,00,000	-
	<b>Sub-Total (II)</b>	<b>21,27,25,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,27,25,806</b>	<b>10,94,76,613</b>	<b>3,75,45,162</b>	<b>6,57,04,031</b>	<b>10,32,49,193</b>
<b>III</b>	<b>Capital WIP</b>									
a	Capital WIP	68,85,900	-	64,87,20,046	-	65,56,05,946	-	-	65,56,05,946	68,85,900
	<b>Sub-Total (III)</b>	<b>68,85,900</b>	<b>-</b>	<b>64,87,20,046</b>	<b>-</b>	<b>65,56,05,946</b>	<b>-</b>	<b>-</b>	<b>65,56,05,946</b>	<b>68,85,900</b>
	<b>Total [(I) + (II) + (III)]</b>	<b>1,98,97,18,928</b>	<b>8,25,26,010</b>	<b>87,83,31,153</b>	<b>24,00,995</b>	<b>2,94,81,75,096</b>	<b>66,09,29,872</b>	<b>17,16,953</b>	<b>2,15,25,50,018</b>	<b>1,32,87,89,057</b>

Note - Gross Block and Accumulated Depreciation figures as of 01-04-2018 in the above Table includes Figures for Parent and Subsidiaries.

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 12 NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a) Quoted Investments	
- In listed Shares	1,80,69,049
- In listed Shares	10,000
b) Unquoted Investments	
- In Shares & Residential Property	-
c) Investment in LLP at Cost	-
<b>Total in ₹</b>	<b>1,80,79,049</b>

### 12.1

(Amount in ₹)

Particulars	Number of Units / Shares (All Fully Paid Up)				As at 31 <sup>st</sup> March, 2019
	Opening Balance	Acquisition	Disposal	Closing Balance	
<b>A Investment in Quoted Shares</b>					
Aarti Industries	235,000	-	18,600	216,400	1,80,69,049
<b>B Investment in Quoted Shares</b>					
SBI Mutual Fund	1000	-	-	1,000	10,000
<b>Total Investment in Unquoted Shares (A)</b>					<b>1,80,79,049</b>

Note: Market Value of Quoted Equity Shares as at 31<sup>st</sup> March 2019 is ₹ 34,14,03,460 /-

## 13 LONG TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a) Capital Advances	
Unsecured, Considered Good	8,55,21,458
b) Security Deposit	
Unsecured, Considered Good :	2,82,84,997
c) Loan To Others:-	
Unsecured Considered Good	1,22,87,845
d) Advance Tax	6,22,132
<b>Total in ₹</b>	<b>12,67,16,432</b>

## 14 CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a) Quoted Investments	
- Investments In Shares & Mutual Funds	10,46,84,414
<b>Total in ₹</b>	<b>10,46,84,414</b>





# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 14.1

(Amount in ₹)

Particulars	Number of Units / Shares (All Fully Paid Up)				As at
	Opening Balance	Acquisition	Disposal	Closing Balance	31 <sup>st</sup> March, 2019
<b>A Investment in Quoted Equity Shares</b>					
Axis Bank Limited ( FV ₹ 2)	460	-	-	460	2,03,094
Biocon Limited (FV ₹ 5)	2,250	-	-	2,250	8,01,518
Bodal Chemicals Limited (FV ₹ 2)	2,000	-	-	2,000	3,54,086
Elantas Beck India (FV ₹ 10)	400	-	-	400	6,57,211
Grasim Industries Limited (FV ₹ 2)	2,750	-	-	2,750	28,45,702
HDFC Bank Limited (FV ₹ 2)	555	-	-	555	6,46,310
HDFC Standard Life Insurance Co. Ltd. (FV ₹ 10)	7,500	-	-	7,500	26,46,372
ICICI Bank Limited (FV ₹ 2)	770	-	-	770	1,73,969
Mahanagar Gas Limited (FV ₹ 10)	500	-	-	500	5,70,011
Orchid Pharma Limited (FV ₹ 10)	5,000	-	-	5,000	96,063
State Bank of India (FV ₹ 1)	5,000	-	-	5,000	16,23,247
Sundaram Finance Limited (FV ₹ 10)	750	-	-	750	13,16,871
Sundaram Finance Holdings Limited (FV ₹ 5)	750	5,000	-	5,750	8,12,082
Torrent Pharmaceutical (FV ₹ 5)	500	-	-	500	7,34,760
Va Tech Wabag Limited (FV ₹ 2)	400	-	-	400	2,74,100
<b>Total Investment in Quoted Shares (A)</b>					<b>1,37,55,394</b>
<b>B Investment in Unquoted Shares</b>					
The Green Environment Services Co-op Societies Ltd					5,000
<b>Total Investment in Unquoted Shares (B)</b>					<b>5,000</b>
<b>C Investment in Mutual Fund</b>					
Reliance Liquid Fund	-	91,255	88,074	3,182	1,45,00,000
Reliance Money Market Fund Direct Growth	-	90,861	63,854	27,007	7,64,24,020
<b>Total Investment in Mutual Fund (C)</b>					<b>9,09,24,020</b>
<b>Total Current Investment (A + B + C)</b>					<b>10,46,84,414</b>

**Note** Market Value of Quoted Equity Shares as at 31<sup>st</sup> March 2019 is ₹ 1,46,61,337/- (PY ₹ 31,31,2553 /-)

Market Value of Mutual Fund as at 31<sup>st</sup> March 2019 is ₹ 9,11,95,707 /-

## 15 INVENTORIES

(Amount in ₹)

Particulars	As at
	31 <sup>st</sup> March, 2019
a) Raw Material	24,02,64,027
b) Work-in-Progress	9,41,07,821
c) Finished Goods	12,95,18,577
d) Fuel	9,40,406
e) Stores & Spares	1,02,67,350
f) Packing Materials	40,00,899
<b>Total in ₹</b>	<b>47,90,99,080</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 16 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
I) Unsecured, Considered Good :	
a Over Six Months	34,91,494
b Others	1,42,07,46,141
c Provision For bad Debts	(1,04,60,353)
<b>Total in ₹</b>	<b>1,41,37,77,282</b>

## 17 CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
<b>A Cash &amp; Cash Equivalents</b>	
a Balances with Banks	2,68,36,369
b Cash on hand	17,63,825
<b>Sub Total in ₹</b>	<b>2,86,00,194</b>
<b>B Other Bank Balances</b>	
Bank Deposits	77,77,960
<b>Sub Total in ₹</b>	<b>77,77,960</b>
<b>TOTAL</b>	<b>3,63,78,154</b>

## 18 SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2019
a Loans & Advances	
Unsecured, Considered Good :	18,94,557
b Others	
Unsecured, Considered Good :	
- Advance to Staff / Workers	29,70,521
- Balance With Revenue Authorities (Indirect Taxes)	13,41,67,278
- Prepaid Expenses	46,56,862
- Export Benefit Receivable	64,08,315
- Interest Receivable	1,58,000
- Other Receivables	4,84,691
<b>Total in ₹</b>	<b>15,07,40,224</b>



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 19 REVENUE FROM OPERATION

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
a Revenue from Sale of Manufactured Products	6,23,42,81,630
b Trading Sales	12,78,21,241
c Sale of Services	56,09,21,675
<b>Total in ₹</b>	<b>6,92,30,24,546</b>

### 19.1

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>(i) Sale of products comprises of</b>	
<b>a Manufactured goods</b>	
- PNA	1,56,18,24,650
- PCP	1,23,97,67,938
- OA	66,48,99,847
- OCP	41,50,49,725
- 2,4 DCP	14,62,05,025
- Paracetamol	80,27,82,700
- Others	1,40,37,51,745
<b>Total - Sale of Manufactured Goods</b>	<b>6,23,42,81,630</b>
<b>b Trading Sales</b>	<b>12,78,21,241</b>
Total - Sale of Traded Goods	12,78,21,241
<b>Total - Sale of Products (a+b)</b>	<b>6,36,21,02,871</b>
<b>(ii) Sale of services comprises of</b>	
Conversion Charges	56,09,21,675
<b>Total - Sale of Services</b>	<b>56,09,21,675</b>
<b>Total - Operating Revenues</b>	<b>6,92,30,24,546</b>

## 20 OTHER INCOME

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
a Interest Income	51,91,271
b Dividend Income	14,34,523
c Profit / Loss on Sale of Investment	3,85,21,239
d Export Benefit MEIS	1,71,000
e Rental Income	1,80,00,000
f Profit on Sale of Fixed Assets	2,00,000
g Foreign Exchange Gain / Loss	1,34,98,764
h Sale of Scrap	31,10,465
i VAT Refund Received	23,70,535
j Discount Received / Sundry Balances Written Back	2,23,270
k Duty Drawback Receivable	4,62,347
l Other Miscellaneous Income	40,85,465
<b>Total in ₹</b>	<b>8,72,68,879</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 21 COST OF MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>A Raw Material</b>	
Opening Stock	23,97,21,559
Purchase	3,85,12,40,936
Closing Stock	24,36,90,759
<b>Raw Material Consumed</b>	<b>3,84,72,71,736</b>
<b>B Packing Materials</b>	
Opening Stock	45,28,874
Purchase	6,86,47,415
Closing Stock	40,00,900
<b>Packing Consumption</b>	<b>6,91,75,389</b>
<b>C Fuel &amp; Diesel Exp</b>	
Opening Stock	30,83,417
Purchase	22,58,85,936
Closing Stock	10,30,406
<b>Fuel Consumption</b>	<b>22,79,38,947</b>
<b>D Consumption of Stores &amp; Spare Parts</b>	
Opening Stock	85,56,058
Purchase	3,28,58,570
Closing Stock	1,01,77,350
<b>Stores Consumption</b>	<b>3,12,37,278</b>
<b>Total in ₹</b>	<b>4,17,56,23,350</b>

## 22 PURCHASE OF STOCK IN TRADE

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
a Purchase	11,42,10,251
<b>Total in ₹</b>	<b>11,42,10,251</b>

## 23 CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK-IN-TRADE

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>a Finished Goods</b>	
- Closing Stock	12,95,18,577
- Opening Stock	10,99,66,306
<b>(A)</b>	<b>1,95,52,271</b>
<b>b Work -In- Progress</b>	
- Closing Stock	9,06,81,089
- Opening Stock	8,39,58,481
<b>(B)</b>	<b>67,22,608</b>
<b>Total in ₹</b>	<b>2,62,74,879</b>



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 24 EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
a Salaries & Wages	16,59,51,994
b Contribution to Provident & Other Funds	51,63,235
c Staff Welfare Expenses	1,37,15,351
<b>Total in ₹</b>	<b>18,48,30,580</b>

## 25 FINANCE COST

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
a Interest Expense	3,54,08,670
b Other Borrowing Cost	13,56,817
c Applicable net gain/loss on foreign currency transactions and translation.	-
<b>Total in ₹</b>	<b>3,67,65,487</b>

## 26 DEPRECIATION & AMORTISATION EXPENSES

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
a Depreciation	13,64,12,166
<b>Total in ₹</b>	<b>13,64,12,166</b>

## 27 OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>Manufacturing Expenses</b>	
Consumption of Power & Steam	15,74,64,729
Freight Octroi & Cartage	4,32,18,505
Repair & Maintenance	-
- Building	69,23,709
- Plant & Machinery	8,73,73,944
- Others	67,88,098
Factory Administration Charges	18,76,004
Conversion Charges	46,31,784
Insurance Charges	52,09,946
Water & Drainage Charges	87,75,820
Effluent Treatment Plant	5,02,15,145
Freight Others	9,59,804
Labour Charges	9,84,47,940
Loading & Unloading Exp	3,57,12,466
Safety & Security Charges	50,82,581
Laboratory Expenses	17,47,424
Consultancy Charges (Mfg)	55,63,321
Rent Rates & Taxes	3,80,000
Other Manufacturing Expenses	42,03,259
<b>Total (A)</b>	<b>52,45,74,479</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>Office &amp; Administrative Expenses</b>	
Auditors Remuneration (Refer Note No. 27.2)	
- For Statutory Audit	9,26,270
- For Out of Pocket Exps	42,056
Filing exps	1,000
Staff Cost	-
Printing & Stationery Charges	25,03,837
Consultancy Charges	11,03,021
Legal & Professional Fees	1,21,61,007
Travelling & Conveyance Expenses	16,76,215
Vehicle Expenses	31,68,321
Office Expenses	17,63,541
Telephone, Courier & Postage Charges	14,74,679
Other Office & Administrative Expenses	2,28,63,660
<b>Total (B)</b>	<b>4,76,83,607</b>
<b>Selling &amp; Distribution Expenses</b>	
Advertising Exps	16,61,174
Freight & Forwarding Charges	5,66,51,489
Bad Debts Written Off	77,68,541
Export Expenses	5,50,320
Bank Commission	38,14,129
Commission on Sales	60,82,630
Discount	30,80,512
Other Selling & Distribution Expenses	25,04,420
<b>Total (C)</b>	<b>8,21,13,215</b>
<b>Non Operating Expenses</b>	
Donation	1,18,402
- CSR Activity	97,75,000
- Others	3,07,480
Share of Loss from Partnership Firm	
Loss on Sale of Assets	1,20,09,983
<b>Total (D)</b>	<b>2,22,10,865</b>
<b>Total in ₹ (A+B+C+D)</b>	<b>67,65,82,166</b>



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 27.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
Raw Materials and Stock-in-Trade	1,14,59,23,552
Capital Goods	23,65,128
<b>Total</b>	<b>1,14,82,88,680</b>

## 27.2 AUDITOR'S REMUNERATION

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
Auditors Remuneration	
- For Statutory Audit	9,26,270
- For Tax Audit	-
- For Others	42,056
<b>Total</b>	<b>9,68,326</b>

## 27.3 EARNINGS IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
FOB Value of Exports	73,94,13,472
<b>Total</b>	<b>73,94,13,472</b>

## 27.4 EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
Others	-
<b>Total</b>	<b>-</b>

## 27.5 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
<b>(i) Contingent Liabilities</b>	
- Letter of Credit, Bank Guarantees & Bills discounted	59,43,455
<b>(ii) Commitments</b>	
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	20,81,71,401
<b>TOTAL</b>	<b>21,41,14,856</b>

# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 28 EARNING PER SHARE (EPS)

(Amount in ₹)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
Profit for the year After the impact of scheme of merger	1,33,23,53,593
Profit for the year before the impact of scheme of merger	1,21,26,94,831
The Weighted average number of Equity Shares for Basic Earnings Per Share*	1,21,49,218
The Weighted average number of Equity Shares for Diluted Earnings Per Share**	1,39,82,305
Nominal Value of Equity Share	10
Basic Earnings Per Share	
- Before Impact of Scheme of Merger	99.82
- After Impact of Scheme of Merger	109.67
Diluted Earnings Per Share	
- Before Impact of Scheme of Merger	86.73
- After Impact of Scheme of Merger	95.29

\*For the purposes of computation of basic earning per shares the equity shares to be issued against the Equity Share Suspense account pursuant to the Scheme of Merger by Absorption have been considered in the weighted average shares during the period.

\*\*For the purposes of computation of diluted earning per shares the dilutive impact of Optionally Convertible Preference Shares to be issued against the Optionally Convertible Preference Share Suspense account pursuant to the Scheme of Merger by Absorption have been considered in the weighted average shares during the period.

### 28.1

(Amount in ₹)

Particulars	Basic	Diluted
Existing	58,64,350	58,64,350
On Merger - Equity Shares	62,84,868	62,84,868
- OCPS (convertible into Equity in the ratio of 1:1)		18,33,087
<b>Total</b>	<b>1,21,49,218</b>	<b>1,39,82,305</b>

As per our report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
(Firm Regn No.103264W)

For Valiant Organics Limited

**Tejas Parikh**  
Partner  
M.No.123215

**Mr. Arvind Chheda**  
(Managing Director)  
DIN: 00299741

**Mr. Mahek Chheda**  
(Whole Time Director)  
DIN: 06763870

Place: Mumbai  
Date :- 27<sup>th</sup> May, 2019

**Vyoma Vyas**  
(Company Secretary)





# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

## 29 RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD :

- I Following are the Ventures or the Investing Parties as defined in para 3(b) of the Accounting Standard - 18.**  
N.A.
- II Following are the Enterprises / Firms over which controlling Individuals / Key Management Personnel, of the Company along with their relatives, have significant influence as defined in para 3(e) of the Accounting Standard - 18.**  
Novel Spent Acid Management  
Shanti Intermediates Pvt. Ltd.
- III Following are the individuals who with their relatives as defined in para 3(c) and 3(d) of the Accounting Standard - 18 own Directly / Indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel.**
- |    |                       |  |
|----|-----------------------|--|
| 1  | Mr. Arvind K. Chheda  | Managing Director (From 19 <sup>th</sup> April-2019, Whole time Director Till 19 <sup>th</sup> April-2019) |
| 2  | Mr. Hemchand L. Gala  | Chairman / Managing Director (Till 19 <sup>th</sup> April-2019)  |
| 3  | Mr. Vishnu J. Sawant  | Whole Time Director  |
| 4  | Mr. Mahek M. Chheda   | Whole Time Director  |
| 5  | Mr. Mahesh M. Savadia | Whole Time Director  |
| 6  | Mr. Dinesh S. Shah    | Whole Time Director (In the erstwhile Amarjyot Chemical Ltd.)  |
| 7  | Mr. Bijal D. Modi     | Director (In the erstwhile Amarjyot Chemical Ltd.)   |
| 8  | Mr. Bhavesh D. Seth   | Director (In the erstwhile Amarjyot Chemical Ltd.)   |
| 9  | Mr. Pankaj S. Shah    | Relative of Director (In the erstwhile Amarjyot Chemical Ltd.)   |
| 10 | Mr. Siddharth D. Shah | Relative of Director (In the erstwhile Amarjyot Chemical Ltd.)   |
| 11 | Mr. Nemin M. Savadia  | Relative of Director   |
| 12 | Ms. Vyoma Vyas        | Company Secretary  |

### (A) Details relating to parties referred to in items I, II and III above.

Sr. No.	Description of Transaction	Year	Other Related Enterprises (II and III)	Key Management Personnel and their relatives (IV)
1	Sale of Goods	CY	4,47,95,000	-
		PY	-	-
2	Receiving of Services	CY	1,10,07,845	-
		PY	-	-
3	Investment during the year	CY	-	-
		PY	-	-
4	Outstanding items pertaining to the related parties at the balance sheet date.: Receivable/(Payable)	CY	-	6,92,29,889
		PY	-	2,12,220



# Notes on Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2019

(B) Details relating to persons referred to in item IV above

Particulars	For the Year Ended 31 <sup>st</sup> March, 2019
1. Directors Remuneration	1,41,20,456
2. Commission to Directors	1,85,22,074
<b>Total</b>	<b>3,26,42,530</b>

As per our report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
(Firm Regn No.103264W)

**Tejas Parikh**  
Partner  
M.No.123215

Place: Mumbai  
Date :- 27<sup>th</sup> May, 2019

For Valiant Organics Limited

**Mr. Arvind Chheda**  
(Managing Director)  
DIN: 00299741

**Vyoma Vyas**  
(Company Secretary)

**Mr. Mahek Chheda**  
(Whole Time Director)  
DIN: 06763870



**VALIANT ORGANICS LIMITED**  
**CIN: L24230MH2005PLC151348**

**Regd. Off.:** 109, Udyog Kshetra, Mulund-Goregaon Link Road, Mulund (W), Mumbai 400080

**Website:** - www.valiantorganics.com, **Email:-** info@valiantorganics.com

**Telephone:** - 91-22-259137687/6, Fax No. 91-22-25913765

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of **VALIANT ORGANICS LIMITED** will be held at Prasad Food Divine, Mulund-Goregaon Link Road, Opposite D Mart, Mulund West, Mumbai- 400080 on Monday, September 30, 2019 at 3.00. p.m. to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt:
  - a) the audited Financial Statements for the financial year ended March 31, 2019, the Reports of the Board of Directors and Auditors thereon; and
  - b) the audited Consolidated Financial statement for the financial year ended March 31, 2019.
- 2) To declare final dividend for the financial year ended March 31, 2019.
- 3) To appoint a Director in place of Shri Mahek M. Chheda (DIN: 06763870), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Dattatray S. Galpalli (DIN: 01853463), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), and as per the recommendation of Nomination and Remuneration Committee, Shri Dinesh Kumar S. Shah (DIN 00345641) who was appointed as an Additional Director of the Company effective from April 20, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act be

and is hereby appointed as the Director of the Company, liable to retire by rotation.”

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and all other applicable provisions of Companies Act, 2013 (“the Act”), if any, read with Schedule V thereof, the Company be and hereby approves the appointment and terms of remuneration of Shri Dineshkumar S. Shah as the Whole-Time Director of the Company with effect from April 20, 2019 for a period of five years on the terms and conditions including the remuneration as set out in the statement annexed to the notice convening this meeting, with the authority to the Board of Directors to alter and vary terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Dineshkumar S. Shah, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

**“RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), and as per the recommendation of Nomination and Remuneration Committee, Shri Bijal D. Modi (DIN 00616848) who was appointed as an Additional



Director of the Company effective from April 20, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act be and is hereby appointed as Director of the Company, liable to retire by rotation.”

- 8) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with Schedule V thereof (“the Act”), the Company be and hereby approves the appointment and terms of remuneration of Shri Bijal D. Modi (DIN: 00616848) as the Whole-Time Director of the Company with effect from April 20, 2019 for a period of five years on the terms and conditions including the remuneration as set out in the statement annexed to the notice convening this meeting, with the authority to the Board of Directors to alter and vary terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Bijal D. Modi, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“**RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

- 9) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the 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 on recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to the appointment of Shri Arvind K. Chheda (DIN 00299741) as the Managing Director of the Company for a period of (5) five years with effect from April 20, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Arvind K. Chheda,

subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“**RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

- 10) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to (a) variation of terms of remuneration payable to Shri Vishnu J. Sawant (DIN: 03477593) as the Whole time Director with effect from April 1, 2019 and (b) the re-appointment of Shri Vishnu J. Sawant (DIN: 03477593) as the Whole time Director, designated as Executive Director of the Company, for a period of 3 (Three) years with effect from July 01, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Vishnu J. Sawant, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“**RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

- 11) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of sections 149,152 any other of the Companies Act, 2013 (“Act”) and the rules made thereunder, Shri Tukaram Surve (DIN: 07121918) who was appointed as an Additional Director of the Company by the Board of Directors as its Meeting held on April 10, 2019 and who holds office up to the date of this Annual General Meeting in terms of section 161 (1)

of Companies Act, 2013, be and is hereby appointed, as a Non-Executive Director of the Company, Liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

- 12) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Sections 197, 198 and all other applicable provisions of Companies Act, 2013 ("the Act"), if any, read with Schedule V thereof ("the Act"), the Company be and hereby approves variation in the terms of remuneration of Shri Mahesh M. Savadia as the Whole-Time Director of the Company with effect from April 1, 2019 for the remainder of his tenure as such as set out in the statement annexed to the notice convening this meeting, with the liberty to the Board of Directors to alter and vary the said terms of remuneration as it may deem fit and as may be acceptable to Shri Mahesh M. Savadia, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

- 13) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Sections 197, 198 and all other applicable provisions of Companies Act, 2013 ("the Act"), if any, read with Schedule V thereof ("the Act"), the Company be and hereby approves variation in the terms of remuneration of Shri Mahek M. Chheda (DIN : 06763870) as the Whole-Time Director of the Company with effect from April 1, 2019 for the remainder of his tenure as such as set out in the statement annexed to the notice convening this meeting, with the liberty to the Board of Directors to alter and vary the said terms of remuneration as it may deem fit and as may be acceptable to Shri Mahek M. Chheda, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

- 14) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to sections 149,152 any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder read with schedule IV of the Act (for the time being in force), and in accordance with the recommendation of Nomination and Remuneration Committee, Shri Dhirajlal Gala (DIN: 07552111), Independent Director of the Company, who was appointed Additional Director in the category of Independent Director effective June 30, 2019, be and is hereby re-appointed as the Independent Director of the Company, not liable to retire by rotation, for a second term of (3) three years with effect from July 1, 2019."

**"RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

- 15) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to provisions of sections 149,152 any other of the Companies Act, 2013 ("Act") and the rules made thereunder read with schedule IV of Companies Act and any rules made thereunder (for the time being in force), and in accordance with the recommendation of Nomination and Remuneration Committee, Smt Jeenal K. Savla (DIN: 07545244), Independent Director of the Company, who was appointed Additional Director in the category of Independent Director effective June 30, 2019, be and is hereby re-appointed as the Independent Director of the Company, not liable to retire by rotation, for a second term of (3) three years with effect from July 1, 2019."

**"RESOLVED FURTHER THAT** the executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

- 16) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:



“**RESOLVED THAT** pursuant to provisions of sections 149,152 and other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made thereunder, and as per the recommendation of Nomination and Remuneration Committee, Shri Mulesh M. Savla (DIN: 07474847), who was appointed as an Additional Director in the category of Independent Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of (3) three years with effect from April 20, 2019.”

“**RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

- 17) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 175,000/- (Rupees One lakh seventy five thousand only) plus Tax as applicable and reimbursement of out of pocket expenses incurred in connection with Cost Audit as approved by the Board of Directors based on the recommendations of Audit Committee of the Company, to be paid to Ms. Ketki D. Visariya, Cost Accountant (Membership Number 16028), for the conduct of the Audit of the cost accounting records of the Company, for the financial year 2019-20, be and is hereby approved, ratified and confirmed.”

“**RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorized to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

- 18) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (“the Act”), the Company hereby approves payment of aggregate commission not exceeding 1.25% of the net profit of the Company on an annual basis effective from April 01, 2019 to Shri Arvind K. Chheda, Managing Director, Shri Mahesh M. Savadia, Whole-time Director, Shri Biljal D. Modi, Whole-time Director, and Shri Dinesh S. Shah, Whole-time Director

of the Company payable either in cash or against shares to be issued and allotted against grant of Restricted Stock units, Employee Stock Options and other stock based compensation as may be decided by the Board based on the recommendation of the Compensation Committee constituted / designated for the purpose from time to time as part of their remuneration as such and that the Board of Directors, based on recommendation of the Nomination and Remuneration Committee, shall have power to decide actual percentage and amount of commission payable on an annual basis within the overall limit of 1.25% fixed per annum and determine the manner and method of sharing of commission payable to each of them as a part of the remuneration payable to them.”

- 19) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/Circulars in that behalf and subject to such other approval(s), consent(s), permission(s), and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s) and may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board or any other Committee constituted and empowered by the Board for the purpose, hereinafter referred to as ‘the Committee’) the consent of the members of the Company be and is hereby accorded to approve, formulate and implement “Valiant Restricted Stock Unit Incentive Plan FY 2020”(the Plan”) and the Board be and is hereby authorised to create, issue, offer, grant and allot, in one or more tranches, a maximum of such Restricted Stock Units (“RSUs”) at any point of time not exceeding 2,00,000 equity shares (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) which

are exercisable into not more than 2,00,000 equity shares of the Company at any point of time (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of permanent employees and directors whether a whole-time director or not (other than promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company and such other employees as may be permitted under the applicable laws (hereafter collectively referred as "Identified Employees") and as may be approved by the Board, from time to time at such price or prices in one or more tranches and on such terms and conditions as may be determined by the Board in accordance with the applicable laws, and as per the terms of the Plan and to provide for grant and subsequent vesting and exercise of RSUs by Identified Employees in the manner and method as contained in the Plan and described in the explanatory statement."

**"RESOLVED FURTHER THAT** in compliance with section 62 (1)(b) and applicable provisions of the Act and other applicable laws, the Board be and is hereby authorized to allot the not exceeding 2,00,000 new Equity Shares of ₹ 10/- each of the Company (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable for time to time), to Identified Employees/Directors over a period of time for the purpose of implementation of the Plan."

**"RESOLVED FURTHER THAT** the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Plan, from time to time, on the Stock Exchange(s) where the equity shares of the Company are or may be listed."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as right issues, bonus issues, split, consolidation of shares, or other reorganization of the capital structure of the Company, the ceiling as aforesaid of 2,00,000 Equity Shares of ₹ 10/- each of the Company shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under the plan."

**"RESOLVED FURTHER THAT** the Company shall conform compliance to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein."

**"RESOLVED FURTHER THAT** the Nomination and Remuneration Committee ("Committee") be and is hereby designated as Compensation Committee pursuant to SEBI Regulations for administration and superintendence of the Plan."

**"RESOLVED FURTHER THAT** the Board of the Company, subject to compliance of the applicable laws and regulations, be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the Plan not prejudicial to the interests of the Identified Employees/Directors and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental to and ancillary thereof."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Plan and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution."

**Registered Office:**  
109 Udyog Kshetra,  
1<sup>st</sup> Floor, Mulund-Goregaon Link Road,  
Mulund (W), Mumbai – 400 080.

Place: Mumbai  
Date: August 20, 2019

By order of the Board  
  
Sd/-  
**CS Vyoma Vyas**  
Company Secretary  
ICSI M. No. 45555



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF HIS/HER HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (Ten Percent) of the total share capital of the Company. Further, a Member holding more than 10% (Ten Percent), of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of meeting.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at Item Nos. 5 to 19 above is annexed hereto and forms part of the Notice.

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. The Register of the Members and Share Transfer Books of the Company will remain closed from Monday, September 23, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended 31<sup>st</sup> March, 2019 and the AGM.

6. As per Notification issued by Ministry of Corporate Affairs dated 19<sup>th</sup> of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions.

Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing e-voting facility to its shareholders.

7. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to the M/s. Bigshare Services Private Limited (RTA) sending an e-mail [atinvestor@bigshareonline.com](mailto:atinvestor@bigshareonline.com) to the Company at [investor@valiantorganics.com](mailto:investor@valiantorganics.com).

8. The Notice of the AGM, Annual Report and Attendance Slip are being sent in electronic mode to the members whose email address are registered with the Company or Depository Participant(s), unless the members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their email addresses with the Company or Depository Participant(s).

9. In case of Joint holders, attending the Meeting, only such joint holder, who is higher in the names, will be entitled to vote at the meeting.

10. As per Regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company has designated email ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors. Investors are requested to send their communication on the designated email id:[investor@valiantorganics.com](mailto:investor@valiantorganics.com).

11. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by the Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the registration counter at the venue.

12. All documents referred to in the accompanying Notice and the explanatory statement are open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. upto 1:00 p.m. up to the date of the Annual General Meeting.

13. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.

14. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) and Permanent Account Number (PAN) with their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA as the same is mandated by the Securities and Exchange Board of India.

**Registered Office:**  
109 Udyog Kshetra,  
1<sup>st</sup> Floor, Mulund-Goregaon Link Road,  
Mulund (W), Mumbai.

By order of the Board

Sd/-  
**CS Vyoma Vyas**  
Company Secretary  
ICSI M. No. 45555

Place: Mumbai  
Date: August 20, 2019



**BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT ARE AS UNDER:**

Particulars	Shri Dineshkumar S. Shah (DIN : 00345641)	Shri Bijal D. Modi (DIN : 00616848)
Date of birth and age.	30/10/1952, 66 years	13/01/1965, 54 years
Appointed on.	April 20, 2019	April 20, 2019
Qualifications.	Science Graduate	Chemical Engineer
Experience and expertise in specific functional areas.	He has a vast experience of 40 years in manufacturing of Dyestuff and their intermediates. Also he has an experience of sales and marketing in export as well as domestic market.	He is a Chemical Engineer from Mumbai University. He is managing Jagadia plant since inception. His vast experience includes projects, operations, process development and local and international marketing in chemical industry.
Disclosure of Relationships between Director inter-se.	-	-
Directorships held in public companies other than Valiant Organics Limited.	Medico Intercontinental Limited.	Nil
Memberships/Chairmanships of committees across public companies other than Valiant Organics Limited.	-	-
No. of shares held in the Company.	47160	293094

Particulars	Shri Mulesh M. Savla (DIN : 07474847)	Shri Tukaram P. Surve (DIN : 07121918)
Date of birth and age.	12/11/1964, 54 years	01/10/1965, 55 years
Appointed on.	April 20, 2019	April 20, 2019
Qualifications.	Chartered Accountant	Science Graduate
Experience and expertise in specific functional areas.	He is a practicing Chartered Accountant and a Partner in Shah & Savla LLP, Chartered Accountant. He has vast experience of more than 30 years in Taxation, Accounts and Finance, structuring- restructuring of entities.	He is a Science Graduate from Pune University with post diploma in Industrial Safety. He has three decades of experience in Industrial Safety. He has three decade of experience in the operation of Chemical Industries
Disclosure of Relationships between Director inter-se.	None	None
Directorships held in public companies other than Valiant Organics Limited.	Aarti Surfactants Limited	None
Memberships/Chairmanships of committees across public companies other than Valiant Organics Limited.	None	None
No. of shares held in the Company.	2100	None



Particulars	Smt Jeenal K.Savla (DIN : 07545244)	Shri Dhirajlal D. Gala (DIN : 07552111)
Date of birth and age.	09/12/1983, 35 years	28/09/1954, 64 years
Appointed on.	July 01, 2016	July 01, 2016
Qualifications.	Chartered Accountant	Chartered Accountant, Company Secretary, CMA and Law Graduate
Experience and expertise in specific functional areas.	She has about 10 years of rich experience in finance. And she is expertise in Internal Audit, risk advisory and Transaction support.	He is Commerce Graduate, LL.B and also holds professional degrees of CA, CS and CMA. He is a businessman and has over 40 years vast experience.
Disclosure of Relationships between Director inter-se.	None	None
Directorships held in public companies other than Valiant Organics Limited.	None	None
Memberships/Chairmanships of committees across public companies other than Valiant Organics Limited.	None	None
No. of shares held in the Company.	None	None

Particulars	Shri Arvind K. Chheda (DIN : 00299741)	Shri Vishnu J.Sawant (DIN : 03477593)
Date of birth and age.	01/07/1959, 60 years	01/06/1962, 57 years
Appointed on.	February 16, 2005	April 6, 2011
Qualifications.	He holds a Government Diploma in Basic Accounts.	B.Sc
Experience and expertise in specific functional areas.	He around 2 decades plus years of experience in Business. He is also one of the core promoters of the Company. He looks after building the Corporate set up and taking the corporate structure of the company forward.	He has nearly 3 decades of experience of working in Chemical Manufacturing Companies. He is currently responsible for running the entire operations of the Company at Factory Level.
Disclosure of Relationships between Director inter-se.	None	None
Directorships held in public companies other than Valiant Organics Limited.	None	None
Memberships/Chairmanships of committees across public companies other than Valiant Organics Limited.	None	None
No. of shares held in the Company.	427738	None

# ANNEXURE TO THE NOTICE

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

### ITEM NOS. 5 & 6

Shri Dineshkumar S. Shah (DIN: 00345641) was appointed as an Additional Director of the Company with effect from April 20, 2019 by the Board of Directors at its meeting held on April 10, 2019, In terms of Section 161(1) of the Companies Act, 2013, he holds office up to the date of this Annual General Meeting.

Resume of Shri Dineshkumar S. Shah is given in the Director Report under the head brief resume of Directors seeking Appointment/Re – appointment. His appointment as Director would be of immense help to the Company.

Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has also appointed Shri Dineshkumar S. Shah as the Whole-time Director of the Company for a period of five years w.e.f. April 20, 2019, subject to the approval of the members in General Meeting and upon such terms and conditions as mentioned below:

#### 1. Remuneration :

(a) **Salary:** Remuneration of ₹ 6,48,000/- (₹ Six Lakh Forty Eight Thousand) per annum (Basic).

(b) **Commission:** He shall also be entitled to be paid share in aggregate Commission calculated at the rate of not exceeding 1.25% of the net profit under section 197 of Companies Act, 2013 payable to the Managing/Whole-time Directors of the Company, as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee. Manner and method of sharing of commission payable as a part of the remuneration shall be determined by the Board of Directors.

#### (c) **Perquisites/allowances:**

He shall be entitled to House Rent Allowance (HRA) of ₹ 2,59,200 (Rupees Two Lakh Fifty Nine Thousand Two Hundred) per annum and other allowances amounting to ₹ 1,72,800 (Rupees One Lakh Seventy Two Thousand Eight Hundred) per annum. He will also be entitled to reimbursement of telephone bills, petrol and Bonus, if any as may be declared by the Company from time to time, subject to overall ceiling limit specified under the Act read with Schedule V thereto.

#### (d) **Other Benefits:**

Grant of Restricted Stock units, Employee Stock Options and other stock based compensation as may be decided by the Board based on the recommendation of the Committee from time to time

The Whole-time Director will also be eligible to the following benefits which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company

2. Minimum remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary including perquisites and allowance as specified above subject to overall ceiling limit specified under the Act read with Schedule V thereto.
3. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
4. No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.
5. The said appointment including the remuneration payable to him is subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.
6. The Board Directors will have liberty to alter and vary the terms and conditions of the said appointment including remuneration as it may deemed fit and as be acceptable to Shri Dinesh S. Shah subject to the same not exceeding the Limits specified under schedule V of the Companies Act 2013 or any statutory modification or re-enactment thereof.
7. The appointment may be terminated by either party by giving to the other party six month's notice of such termination or paying six month's Salary as per Company's policy.



8. The Whole-time Director shall be subject to retirement by rotation.

Your Directors recommend the resolutions for your approval as ordinary resolutions.

Shri Dinesh S. Shah is interested in the said resolutions pertaining to his appointment as such and terms of remuneration payable thereof. His relatives may be deemed to be interested in the resolutions to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

### ITEM NOS. 7 & 8

Shri Bijal D. Modi (DIN: 00616848) was appointed as an Additional Director of the Company with effect from April 20, 2019 by the Board of Directors at its meeting held on April 10, 2019. In terms of Section 161(1) of the Companies Act, 2013, he holds office up to the date of this Annual General Meeting.

Resume of Shri Bijal D. Modi is given in the Directors' Report under the head brief resume of Directors seeking Appointment/ Re - appointment. His appointment as Director would be of immense help to the Company.

Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has also appointed Shri Bijal D. Modi as the Whole-time Director of the Company for a period of five years w.e.f. April 20, 2019, subject to the approval of the members in General Meeting and upon such terms and conditions as mentioned below:

#### 1. Remuneration :

- (b) **Salary:** Remuneration of ₹ 10,80,000 /- (Rupees Ten Lakh Eighty Thousand ) per annum (Basic).
- (b) **Commission:** He shall also be entitled to be paid share in aggregate Commission calculated at the rate of not exceeding 1.25% of the net profit under section 197 of Companies Act, 2013 payable to the Managing/Whole-time Directors of the Company. as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee. Manner and method of sharing of commission payable as a part of the remuneration shall be determined by the Board of Directors.
- (c) **Perquisites/allowances:**  
He shall be entitled to Bonus/ Exgratia of ₹ 98,000 (Rupees Ninety Eight Thousand), House Rent Allowance (HRA) of ₹ 3,72,000 (Rupees Three Lakh

Seventy Two Thousand) per annum and other allowances amounting to ₹ 4,50,000 (Rupees Four Lakh Fifty Thousand) per annum. He will also be entitled to reimbursement of telephone bills, petrol expenses, subject to overall ceiling limit specified under the Act read with Schedule V thereto.

#### (d) Other Benefits:

Grant of Restricted Stock units, Employee Stock Options and other stock based compensation as may be decided by the Board based on the recommendation of the Committee from time to time

The Whole-time Director will also be eligible to the following benefits which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company

2. Minimum remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary including perquisites and allowance as specified above subject to overall ceiling limit specified under the Act read with Schedule V thereto.
3. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
4. No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.
5. The said appointment including the remuneration payable to him is subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.
6. The Board Directors will have liberty to alter and vary the terms and conditions of the said appointment including remuneration as it may deemed fit and as be acceptable to Shri Dinesh S. Shah subject to the same not exceeding the Limits specified under schedule V of the Companies Act 2013 or any statutory modification or re-enactment thereof.
7. The appointment may be terminated by either party by giving to the other party six month's notice of such termination or paying six month's Salary as per Company's policy.

8. The Whole-time Director shall be subject to retirement by rotation.

Your Directors recommend the resolutions for your approval as Ordinary resolutions.

Shri Bijal D. Modi is interested in the said resolutions pertaining to his appointment as such and terms of remuneration payable thereof. His relatives may be deemed to be interested in the resolutions to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

#### ITEM NO.9

Shri Arvind K.Chheda (DIN:00299741) has been Whole-time Director of the Company with effect from July 01, 2016. His term as Whole-Time Director was to expire on June 30, 2019. However, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 10, 2019 appointed Shri Arvind K. Chheda as the Managing Director of the Company with effect from April 20, 2019, for a period of (5) Five years subject to the approval of the Company on terms and conditions set out in draft Agreement to be entered into by the Company with him.

Resume of Shri Arvind K. Chheda is given in the Brief Resume of Directors seeking Appointment/Re – appointment.

The draft Agreement, inter-alia, contains the following material terms and conditions;

1. **Period of Agreement :** 20.04.2019 to 19.04.2024

2. **Remuneration :**

- (a) **Salary:** Remuneration of ₹ 25,00,000 /- (Rupees Twenty five lakh) per annum.
- (b) **Commission:** He shall also be entitled to be paid share in aggregate Commission calculated at the rate of not exceeding 1.25% of the net profit under section 197 of Companies Act, 2013 payable to the Managing/Whole-time Directors of the Company. as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee. Manner and method of sharing of commission payable as a part of the remuneration shall be determined by the Board of Directors.

- (c) **Perquisites/allowances:**

In addition to salary and Commission, the Managing Director shall be entitled to Bonus / ex-gratia incentive of ₹ 2,00,000/- (Rupees Two Lakhs) per annum and reimbursement of Telephone Bills.

- (d) **Other Benefits:**

Mr. Arvind K.Chheda shall also be eligible to the following benefits in addition to the above Remuneration, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company

3. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration and perquisites as hereinabove as minimum remuneration subject to ceiling limits applicable as per Schedule V to the Companies Act, 2013.
4. The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
5. Managing Director shall be entitled to:
  - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulation of the Company in force from time to time or as may be approved by the Board of Directors; and
  - b) the reimbursement of traveling, hotel and the other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
6. As long as Shri Arvind K. Chheda functions as the Managing Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committees thereof.
7. As long as Shri Arvind K. Chheda functions as the Managing Director, he shall not become interested or otherwise concerned in any selling agency of the Company except in accordance with the provisions of the law in force.
8. The said appointment including the remuneration payable to him is subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.



9. The Board Directors will have authority to alter and vary the terms and conditions of the said appointment including remuneration as it may deemed fit and as be acceptable to Shri Arvind K. Chheda subject to the same not exceeding the Limits specified under schedule V of the Companies Act 2013 or any statutory modification or re-enactment thereof.

The other terms and conditions of the agreements are such as are customarily contained in agreements of similar nature. Draft agreement is open for inspection by members of the Company at the registered office of the Company on any working day except Saturday between 11 a.m. to 1 p.m. up to the date of the AGM.

Your Directors recommend the resolution for your approval as an ordinary resolution.

Shri Arvind K. Chheda is interested in the said resolutions pertaining to his appointment as such and terms of remuneration payable thereof. His relatives may be deemed to be interested in the resolution to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

#### ITEM NO.10

Shri Vishnu J. Sawant has been the Whole-time Director of the Company since July 01, 2016. Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has revised his terms of remuneration effective from April 1, 2019 and further also re-appointed Shri Vishnu J. Sawant as the whole-time Director of the Company with effect from July 01, 2019, for a period of (3) three years, on expiration of his present term, subject to the approval of the Company in General Meeting upon the terms and conditions as mentioned below:

Resume of Shri Vishnu J. Sawant is given in the Directors' Report under the head brief resume of Directors seeking Appointment/ Re-appointment.

1. **Period of Appointment** : 01.07.2019 to 30.06.2022

#### Remuneration :

- (a) **Salary:** Salary of ₹ 15,30,000/- (Rupees Fifteen lakh thirty thousand) per annum.
- (b) **Perquisites/allowances:**  
He will be entitled to Bonus / ex-gratia incentive of ₹ 1,20,000/- (Rupees One Lakh Twenty Thousand) per annum and reimbursement of telephone bills.

#### (c) **Other Benefits:**

The Whole-time Director will also be eligible to the following benefits which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company

2. Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as aforesaid as minimum remuneration subject to overall ceiling limit specified under the Act read with Schedule V thereto.
3. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
4. No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.
5. The said appointment including the remuneration payable to him shall be given effect to as per the modification, if any, made/approved by the Company in general meeting.
6. The Board of Directors will have authority to alter vary the terms and conditions of the said appointment including remuneration as it may deemed fit and as acceptable to Shri Vishnu J.Sawant subject to the same not exceeding the limits specified under schedule V of the Companies Act, 2013 or any statutory modification or re-enactment thereof.
7. The Whole-time Director shall be subject to retirement by rotation.

Your Directors recommend the resolution for your approval as an Ordinary resolution.

Shri Vishnu J.Sawant is interested in the said resolution pertaining to his appointment as such and terms of remuneration payable thereof. His relatives may be deemed to be interested in the resolutions to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### ITEM NO.11

Shri. Tukaram P. Surve (DIN 07121918) was appointed as an Additional Director of the Company with effect from April 20, 2019 by the Board of Directors at its meeting held on April 10, 2019. In terms of Section 161(1) of the Companies Act, 2013, Shri Tukaram P. Surve, holds office as such upto the date of ensuing Annual General Meeting.

Resume of Shri Tukaram P. Surve is given in the Directors' Report under the head brief resume of Directors seeking Appointment/Re – appointment. His appointment as Director would be of immense help to the Company and proposed based on recommendation of the Nomination and Remuneration Committee.

Your Directors recommend the resolution for your approval as an Ordinary resolution.

Except Shri Tukaram P. Surve, none of the Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. His relatives may be deemed to be interested in the resolution to the extent of shares held by them in the Company.

### ITEM NO.12

Shri Mahesh M. Savadia was appointed as the Whole-time Director of the Company with effect from February 10, 2018 for a period of three years and the appointment was approved by the members at Annual General Meeting held on September 29, 2018.

Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has revised terms of remuneration payable to Shri Mahesh M. Savadia as the Whole-time Director of the Company for the remainder of his tenure as such w.e.f. April 1, 2019, subject to the approval of the members in General Meeting as mentioned below:

#### Remuneration :

- (a) **Salary:** Remuneration of ₹ 6,78,000 /- (Rupees Six lakh seventy eight thousand) per annum.
- (b) **Commission:** He shall also be entitled to be paid share in aggregate Commission upto 1.25% of the net profit under section 197 of Companies Act, 2013 payable to the Managing/Whole-time Directors of the Company, as may be decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee. Manner and method of sharing of commission payable as a part of the remuneration shall be determined by the Board of Directors.

#### (c) **Perquisites/allowances:**

House Rent Allowance of ₹ 1,32,000/- (Rupees One Lakh Thirty Two Thousand) per annum, other allowances of ₹ 2,16,600/- (Rupees Two Lakh Sixteen Thousand and Six Hundred) per annum, Bonus/ ex-gratia incentive of ₹ 53,400/- (Rupees Fifty Three Thousand and Four Hundred) per annum and reimbursement of telephone bills.

#### (d) **Other Benefits:**

Grant of Restricted Stock units, Employee Stock Options and other stock based compensation as may be decided by the Board based on the recommendation of the Committee from time to time

All other terms and condition of his appointment as such remain unchanged.

Your Directors recommend the resolution for your approval as an ordinary resolution.

Shri Mahesh M. Savadia is interested in the said resolution pertaining to variation of his terms of remuneration payable to him as the Whole-time Director. His relatives may be deemed to be interested in the resolution to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### ITEM NO.13

Shri Mahek M Chheda was appointed as the Whole-time Director of the Company with effect from July 6, 2017 for a period of three years and the appointment was approved by the members at Annual General Meeting held on August 16, 2017.

Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has revised terms of remuneration payable to Shri Mahek M. Chheda as the Whole-time Director of the Company for the remainder of his tenure as such w.e.f. April 1, 2019, subject to the approval of the members in General Meeting as mentioned below:

#### Remuneration :

- (a) **Salary:** Remuneration of ₹ 9,96,000 /- (Rupees Nine Lakh Ninety Six Thousand) per annum.
- (b) **Perquisites/allowances:**  
Bonus / ex-gratia incentive of ₹ 84,000/- (Rupees Eighty Four Thousand) per annum and reimbursement of telephone bills.



All other terms and condition of his appointment as such remain unchanged.

Your Directors recommend the resolution for your approval as an ordinary resolution.

Shri Mahek M. Chheda is interested in the said resolutions pertaining to variation of his terms of remuneration payable to him as the Whole-time Director. His relatives may be deemed to be interested in the resolution to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NOS. 14 & 15**

Shri Dhirajlal D. Gala, Independent Director of the Company is a CA, CS, ICWA. He is a Businessman and has over 40 years of rich experience. He has been the independent Director of the Company since July 1, 2016.

Smt Jeenal K. Savla, Independent Director of the Company is a Chartered Accountant by profession and has 10 plus years of experience in the areas of Internal Audit and Risk Management. She has been the Independent Director of the Company Since July 1, 2016.

Resumes of Shri Dhirajlal D. Gala and Smt Jeenal K. Savla are given in the Directors' Report under the head brief resume of Directors seeking Appointment / Re-appointment.

The first term of Shri Dhirajlal D. Gala and Smt Jeenal K. Savla Independent Directors ended on June 30, 2019 and being eligible the Nomination and Remuneration Committee recommended, for re-appointment as Independent Directors, for the second term of three years effective from July 1, 2019. Their reappointment as Independent Directors would be of immense help to the Company.

The Company has received from both the said Directors, consent in writing to act as Director and declaration to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 in prescribed form DIR-2 and DIR-8 respectively. Further, the company has received from both the Directors, a declaration to the effect that they meet criteria of independence as provided in section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration given by them in respect of meeting the criteria of independence as provided in Section 149(6) of the said Act and the Board is of opinion that they fulfil the relevant conditions specified in the said Act and the Rules made thereunder and are independent of the management.

Copies of the letters for appointment issued to Shri Dhirajlal D. Gala and Smt Jeenal K. Savla as Independent Directors setting out the terms and conditions thereof are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day except Saturday between 11 a.m. to 1 p.m. up to the date of the AGM.

Shri Dhirajlal D. Gala and Smt Jeenal K. Savla are interested in the said resolutions pertaining to their reappointment. Their respective relatives may be deemed to be interested in the respective resolution to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

#### **ITEM NO. 16**

Shri Mulesh M. Savla (DIN 07474847) was appointed as an Additional Director of the Company with effect from April 20, 2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Shri. Mulesh M. Savla, holds office upto the date of this Annual General Meeting.

Resume of Shri. Mulesh M. Savla is given in the Directors' Report under the head brief resume of Directors seeking Appointment/ Re - appointment. His appointment as Director would be of immense help to the Company.

The Company has received from him, consent in writing to act as director and declaration to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 in prescribed Form DIR-2 and DIR-8 respectively. Further, the Company has received from him, a declaration to the effect that he meets criteria of independence as provided in Section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by him in respect of meeting the criteria of independence as provided in Section 149(6) of the said Act and the Board is of opinion that he fulfils the relevant conditions specified in the said Act and the Rules made thereunder and is independent of the management.

The Board considers that his association as the Independent Director would be of immense benefit to the Company in view of his qualification, expertise and experience.

Copy of the draft letter for appointment proposed to be issued to Shri. Mulesh M. Savla as an Independent Director setting out the terms and conditions thereof is available for inspection without any fee by the members at the Registered Office of the Company on any working day except Saturday between 11 a.m. to 1 p.m. up to the date of the AGM.



Your Directors recommend the resolution for your approval as an Ordinary resolution.

Except Shri Mulesh M. Savla, none of the Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NO. 17**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, a proposal for appointment of Cost Auditor for 2019- 2020 was recommended by the Audit Committee to the Board.

The Board thereby re-appointed Ms Ketki Damji Visariya (Membership Number 16028) Cost Accountant, as Cost Auditor at the Board Meeting held on remuneration of ₹ 175000/- per annum & tax as applicable. Certificate dated August 20, 2019 issued by Ms. Ketki Damji Visariya regarding her eligibility for appointment as Cost Auditor is available for inspection at the registered office of the Company on any working day except Saturday between 11 a.m. to 1 p.m. up to the date of the AGM.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

Your Directors recommend the resolution for your approval as an ordinary resolution.

None of the Directors, Key Managerial Personnel or their relatives is, in anyway concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NO. 18**

Section 197 of the Companies Act, 2013 ("the Act") permits payment of remuneration to Executive Directors of a Company inter alia by way of Commission, if the Company authorises such payment by way of a resolution of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 20, 2019, subject to approval of the Company in the General Meeting, has approved payment of aggregate commission upto 1.25% of the net profit on an annual basis effective from April 01, 2019 to Shri Arvind K. Chheda, Managing Director, Shri Mahesh M. Savadia, Whole-Time Director, Shri Biljal D. Modi, Whole-time Director, and Shri Dinesh S. Shah, Whole-time Director of the Company payable either in cash or against shares to be issued and allotted against grant of Restricted Stock units, Employee Stock Options and other stock based compensation as may be decided by the Board based on the recommendation of the Compensation Committee constituted / designated for the purpose from time to time as part of their remuneration as

such and that the Board of Directors, based on recommendation of the Nomination and Remuneration Committee, shall have power to decide actual percentage and amount of commission payable on an annual basis within the overall limit of 1.25% fixed per annum and determine the manner and method of sharing of commission payable to each of them as a part of the remuneration payable to them.

Your Directors thus recommend the resolution for your approval as an ordinary resolution.

Shri Arvind K. Chheda, Shri Mahesh M. Savadia, Shri Dinesh S. Shah and Shri Bijal D. Modi, are interested in the resolutions pertaining to their respective appointments / payment of remuneration / commission to them as proposed. Their respective relatives may be deemed to be interested in the respective resolution to the extent of shares held by them in the Company. None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in anyway concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NO. 19**

To ensure enhanced employees engagement, The Board has formulated a Valiant Employee Stock Option Plan 2020, to reward identified employees / Directors for their excellent performance as well as to motivate them to contribute to the growth and profitability of the Company and to create a sense of ownership amongst them.

Based on the recommendation of Nomination and Remuneration Committee ("Committee"), the Board at its meeting held on August 20, 2019 agreed to introduce "Valiant Restricted Stock Unit Incentive Plan FY 2020" (hereinafter referred to as "the Plan") designed to drive performance towards achieving the Board approved strategy plan. The Plan would cover key identified employees who, by virtue of the roles they play, would be influencing the accomplishment of the Strategic Plan.

In terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62 and other applicable provisions of the Act, issue of shares to employees under a scheme of employees stock option/ RSUs, requires an approval of the Members by way of a Special Resolution and accordingly, the Special Resolution at Item No. 19 seeks your approval for the issue of further Equity Shares, under the "Valiant Restricted Stock Unit Incentive Plan FY 2020", to the identified employees of the Company, as may be determined by the Board of the Company.

The Plan will be administered by the Nomination and Remuneration Committee (hereinafter referred to as Committee") of the Company.



The main features and other details of the Plan as per Regulation 6(2) of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), are as under:

**1. Brief description of the Plan**

The Plan shall be called as Valiant Restricted Stock Unit Incentive Plan FY 2020 ("the Plan") and shall extend its benefits to the present and/or future permanent employees of the Company in accordance with the applicable laws. The Plan has been formulated keeping in mind delivery around key parameters measured through financial parameters, delivery against key business initiatives and shareholder value creation. The Plan would cover key employees who, by virtue of the roles they play, would be influencing the accomplishment of the Strategic Plan.

**2. Total number of Restricted Stock Units (RSUs) to be granted under the Plan.**

The maximum number of RSUs to be granted under the Plan shall not exceed 2,00,000 equity shares of the Company at any point of time.

**3. Identification of classes of employees entitled to participate and be beneficiaries in Plan.**

A permanent employee of the Company; or an executive-director of the company, **but does not include:** an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company.

**4. Requirement of Vesting and period of Vesting.**

The RSUs granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 4 (four) years from the date of grant.

The actual number of RSUs Vesting for the Grantee shall further be linked with the key parameters measured through increased in revenue & profits, delivering on key strategic initiatives and shareholders value creation and such other conditions as may be determined by the Committee.

The specific Vesting schedule and Vesting conditions subject to which Vesting would take place shall be outlined in the grant letter given to the employee at the time of Grant of RSUs.

**5. Maximum period within which the RSUs shall be vested.**

The options granted under the Plan shall vest as may be decided by the Committee subject to maximum period of 4 (four) years from the date of grant. Vesting of Options would be subject to continued employment with the Company, or as the case may be, on the date of vesting.

**6. Exercise Price or Pricing Formula.**

Under this Plan, the Exercise price of the Shares will be the face value of the shares as on the date of exercise.

**7. Exercise period and process of Exercise.**

The RSUs granted may be exercised by the grantee within a maximum period of 3 (three) Years from the date of vesting of the respective RSUs or time period as set forth in the grant letter. The grantees can exercise the vested RSUs in full or in part at different interval of time during the exercise period.

The vested RSUs can be exercised through cash route. The mode and manner of the Exercise of the RSUs shall be communicated to the grantees individually. On exercise of the RSUs through Cash Route, the grantee shall forthwith pay to the Company the exercise price along with applicable taxes. The RSUs shall lapse if not exercised within the specified exercise period.

**8. Appraisal process for determining the eligibility of the Employees to Plan.**

The appraisal process for determining the eligibility of the employees will be in accordance with the Plan and as may be determined by the Committee at its sole discretion. The employees would be granted

RSUs under the Plan based on various parameters which may include among others:

- Performance: Employee's performance on the basis of the parameters decided by the management.

- Contribution: The present and potential contribution of the Employee towards achieving common goals and delivering on key parameters measured through increased revenue & profits, delivering on key strategic initiatives and Shareholders Value creation.

**9. The Maximum number of RSUs to be granted per employee and in aggregate.**

The maximum number of RSUs that can be granted under this Plan in aggregate shall not exceed 2,00,000 equity shares of ₹ 10/- each of the Company at any point of time. The maximum number of RSUs that can be granted to any

eligible single employee during any one-year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant of RSUs unless otherwise approved by the shareholders.

**10. The Maximum quantum of benefits to be provided per Employee under the Plan.**

The maximum quantum of benefit that will be provided to every eligible Employee under the Plan will be the difference between the Market value of Company's Share on the Stock Exchange as on the date of exercise of RSUs and the Exercise Price paid by the employee.

**11. Implementation and administration of the Plan.**

The Plan will be administered by the Committee of the Company.

**12. Whether the Plan involves new issue of shares by the company or secondary acquisition by the Trust or both.**

The Plan shall be implemented by the Company by allotment of new equity shares to the Grantees as and when the RSUs are exercised.

**13. The amount of loan to be provided for implementation of the Plan by the company to the trust, its tenure, utilization, repayment terms, etc.**

Not applicable

**14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Plan.**

Not applicable

**15. Disclosure and accounting policies.**

The Company shall comply with the accounting policies prescribed in the requirements of guidance note on accounting for employee share based payments ("Guidance Note") or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of SEBI Regulations.

**16. The method in which the Company shall use to value its RSUs.**

The Company shall adopt fair value for the valuation of the RSUs granted as prescribed under Guidance Note or under any relevant Accounting Standard notified by appropriate authorities from time to time.

**17. Statement with regard to Disclosure in Director's Report.**

As the Company is adopting fair value method, presently there is no requirement for disclosure in the Directors' report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report. In terms of Section 62 of the Act and Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolution for the approval of the "Valiant Restricted Stock Unit Incentive Plan FY 2020" and issuance of shares under this plan to the identified employees of the Company. Therefore, your Directors recommend the Resolution as set out at Item No. 19 for your approval as a special resolution.

A copy of the draft RSU Plan will be available for inspection at the registered office of the Company on any working days except Saturday between 11:00 to 1:00 p.m. up to the day of AGM.

None of the Directors, Manager, Key Managerial Personnel of the Company, and their respective relatives is in anyway concerned or interested in the resolution except to the extent of equity shares held by them in the Company or the RSUs to be granted under the Plan.

**Registered Office:**  
109 Udyog Kshetra,  
1<sup>st</sup> Floor, Mulund-Goregaon Link Road,  
Mulund (W), Mumbai – 400 080.

Place: Mumbai  
Date: August 20, 2019

By order of the Board  
Sd/-  
**CS Vyoma Vyas**  
Company Secretary  
ICSI M. No. 45555

### ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING





**VALIANT ORGANICS LIMITED**  
**CIN: L24230MH2005PLC151348**

**Registered Office :** 109, Udyog Kshetra, 1<sup>st</sup> Floor, Mulund Goregaon Link Road  
Mulund (W), Mumbai Maharashtra 400080 IN  
14<sup>th</sup> Annual General Meeting Monday, September 30, 2019

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member(s)	:	
Registered address	:	
E-mail Id	:	
Folio No./ Client Id: DP ID	:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint :

Name	:	
Address	:	_____
E-mail ID	:	
	<b>Signature</b>	<input type="text"/> or failing him;

Name	:	
Address	:	_____
E-mail ID	:	
	<b>Signature</b>	<input type="text"/> or failing him;

Name	:	
Address	:	_____
E-mail ID	:	
	<b>Signature</b>	<input type="text"/> or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at Prasad Food Divine, Mulund- Goregaon- Link Road, Opposite D Mart, Mulund West, Mumbai – 400080 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution Number	Resolution	Optional*	
		*For	*Against
<b>Ordinary Business</b>			
1	Adoption of Financial Statements for the year ended March 31, 2019.		
2	Declare final dividend for the financial year ended March 31, 2019.		
3	Re-appointment of Shri Mahek M. Chheda, who retires by rotation and being eligible, seeks re-appointment.		
4	Re-appointment of Shri Dattatray S. Galpalli, who retires by rotation and being eligible, seeks re-appointment.		
<b>Special Business</b>			
5	To regularize the appointment of Shri Dineshkumar S. Shah.		
6	To appoint Shri Dineshkumar S. Shah as the Whole-Time Director & Fix his terms of remuneration.		
7	To regularize the Appointment of Shri Bijal D. Modi.		
8	To appoint Shri Bijal D. Modi as the Whole-Time Director & Fix his terms of remuneration.		
9	To re-designate Shri Arvind K. Chheda as Managing Director with effect from April 20, 2019 and fix his terms of remuneration.		
10	To re-appoint Shri Vishnu J. Sawant as the Whole-Time Director with effect from July 1, 2019 and fix his terms of remuneration.		
11	To regularize the appointment of Shri Tukaram P. Surve as the Non-Executive Director.		
12	To approve variation in terms of remuneration of Shri Mahesh M. Savadia, Whole-time Director.		
13	To approve variation in terms of remuneration of Shri Mahek M. Chheda, Whole-time Director.		
14	Special resolution to re-appoint Shri Dhirajlal D. Gala as the Independent Director for period of 3 years.		
15	Special resolution to re-appoint Smt Jeenal K. Savla as the Independent Director for period 3 years.		
16	To regularize the appointment of Shri Mulesh M. Savla as an Independent Director.		
17	Ratification of the remuneration of Cost Auditor.		
18	To approve commission payable to Shri Arvind K. Chheda, Shri Mahesh M. Savadia, Shri Biljal D. Modi and Shri Dinesh S. Shah.		
19	Special Resolution to approve "Valiant Restricted Stock Unit Incentive Plan FY 2020".		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of the Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix ₹ 1/- Revenue Stamp
------------------------------------

**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

\* It is optional to put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' Column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



# Valiant Organics Limited

Stock Ticker - BSE: 540145  
CIN: L24230MH2005PLC151348

**Regd. Office:**

109, Udyog Kshetra, 1<sup>st</sup> Floor,  
Mulund-Goregaon Link Road,  
Mulund (West) Mumbai - 400 080  
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