



Valiant Organics
Limited

**Persistent.
Confident.
Resilient.**



Annual Report
2019-20

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FORWARD-LOOKING STATEMENTS

This Report and statements made in this annual report may contain forward-looking statements that set out anticipated results based on the management's plans, assumptions, and on currently available information. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Actual results may vary materially from those anticipated, estimated or projected if known or unknown risks or uncertainties materialise or underlying assumptions prove inaccurate. Readers should bear this in mind that we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



FY 2019-20 in Numbers

REVENUES

₹584 Crores

EXPORTS

₹85 Crores

EBITDA

₹193 Crores

PROFIT AFTER TAX

₹139 Crores

NET WORTH

₹372 Crores

EBITDA MARGIN

33%

Persistent. Confident. Resilient.

We are one of the most competitive producers of Chlorination, Ammonolysis, Acetylation, Hydrogenation and Methoxylation-based specialty products in India. Amidst the current economic uncertainties, we remain on course of our objective to achieve a higher growth path. We are persistently expanding our capacities, integrating manufacturing operations and processes, and delivering growth to all our stakeholders.

What gives us confidence is our ability to forward integrate by adding high-margin and high-value products to maximise growth. We continue to develop in-house process technology to broaden our product value chain and by way of backward integration, we aim to reduce our dependence on suppliers. We are fostering our resilience by enhancing our production capacities through organic and inorganic growth, establishing our market leadership and gaining strength to cater to the rising demand. By implementing operational efficiencies, tackling cost efficiencies and improving our supply chain management, we continue to gain financial strength.





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As we continue to gain superior positioning in the market, we are bringing resilience to scale. We hope to benefit from the changing industry dynamics and take advantage of the growing opportunities to increase the size of our chemical manufacturing business. By delivering profitable growth and by making noteworthy progress on initiatives we had set out to accomplish, we are not only securing our today, but also shaping our tomorrow.



We are Valiant Organics Limited

With a humble beginning as a single product manufacturing company in 1984, Valiant Organics Limited has grown to become a prominent specialty chemicals manufacturing company in India.

Backed by 35 years of experience and an unwavering focus on innovation, we have developed an extensive domain expertise in multiple process chemistries including Chlorination, Ammonolysis, Acetylation, Hydrogenation, Sulphonation and Methoxylation. We offer a range of high-quality products that are used as intermediates in diverse industries. Commitment to business excellence has cemented our reputation as a preferred supplier of choice for our marquee customers.

Our Key Differentiators

DOMAIN EXPERTISE

Backed by our domain expertise and extensive process know-how in multiple chemistries, we continually meet the constantly evolving business demands. The management team comprises first generation technocrats with a combined experience of more than 50 years.

RESILIENT BUSINESS MODEL

Our robust business model is backed by a wide product portfolio, domain expertise in multiple chemistries, and a client base spread across multiple industries and countries, which lowers our product, industry and geographical concentration risk.

INTEGRATED OPERATIONS

Our multipurpose plants enable us to manufacture a wide array of products and customise them as per clients' varying needs, technical specifications, batch sizes, and delivery schedules.

UNIQUE PRODUCT PORTFOLIO

We manufacture a wide portfolio of products used as intermediates in several end-user industries, and also several value-added products.

STRATEGICALLY LOCATED PLANTS

Our manufacturing plants are strategically situated near the ports, providing a locational advantage, significant logistical cost efficiencies and better delivery timelines.

ENDURING CLIENT RELATIONSHIPS

High-quality products, sophisticated manufacturing capacities, and innovation-driven value-added capabilities have led us to develop multi-year relationships with our customers in the domestic as well as overseas markets.

ESTABLISHED SUPPLY CHAIN

Our extensive and diverse supply chain, coupled with backward-integrated operations, ensures availability of adequate and quality raw materials and uninterrupted production.



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Revenue Break-up

Domestic



85%

Exports



15%

OUR PROCESS & PRODUCT PORTFOLIO

Chlorination



- Para Chloro Phenol
- Ortho Chloro Phenol
- 2,4 Di Chloro Phenol
- 2,6 Di Chloro Phenol
- 2,4,6 Tri Chloro Phenol

Ammonolysis



- Para Nitro Aniline
- Ortho Chloro Para Nitro Aniline

Acetylation



- 6 Acetyl OAPSA
- OA Acetanilide
- PA Acetanilide

Hydrogenation



- Ortho Anisidine
- Para Anisidine
- Ortho Toluidine
- Para Toluidine
- IPPCA
- FI Aniline
- Meta Chloro Aniline

Sulphonation



- OT5SA
- 4B Acid
- 2B Acid

Methoxylation



- Ortho Nitro Anisole
- Para Nitro Anisole

Our Quality Certifications

ISO 9001:2015

ISO 14001:2015



OHSAS 18001:2007

Zero Liquid Discharge Units



Managing Director's Message

Dear Shareholders,

We write to you amidst the pandemic, even as we celebrate internally to be amongst the world's most competitive producers of Chlorophenols, products of Ammonolysis and Acetylation, and hydrogenated products. Our cutting-edge technology and automated plants are well capacitated to satiate the growing demand for speciality chemicals in India, and makes us well positioned to leverage the changing market dynamics.

The year that passed by was one of hope amidst despair. We share with pride that we managed to record a 15% increase in bottom line, even in an otherwise challenging year as far as the operating environment was concerned. More so, we have secured a place among the coveted BSE-500 list. This is a testament to our business resilience demonstrated by a robust operational and financial performance, even amidst the challenging economic conditions, further accentuated by the outbreak of the novel Coronavirus pandemic towards the end of the year. We made notable progress in our export business, which balanced the decline in domestic revenue.

We faced these turbulent times with positivity and spent the year in fostering resilience across our business

processes – capacities, capabilities, expertise, human capital, culture and customer-centricity. In addition to strengthening our core fibre, we utilised the opportunity to foray into newer industries and add more clients – even as we maintained a stricter control on operational overheads.

HOW WE PERFORMED

We had a satisfactory year across all business parameters, generating outstanding returns for our shareholders, despite having lost out on 10 full days of revenue during the month of March 2020, on account of the nationwide COVID-induced lockdown. We achieved a top line of ₹ 584 Crores as compared to ₹ 606 Crores in the previous year. Our Net Profit stood at ₹ 139 Crores, compared to ₹ 121 Crores earlier, which is higher by 15%. EBITDA increased 5% at ₹ 193 Crores, compared to ₹ 184 Crores in the previous year. Our Earnings Per Share stood at ₹ 114.02 as compared to ₹ 99.82 in the previous year.

TACKLING THE COVID-19 CRISIS

As we are all aware, the already prevalent broad-based slowdown in the Indian economy and the ongoing trade war snowballed further with the advent of COVID-19, and led to an extended nationwide lockdown and disrupted economic activities. It led to a temporary shutdown of our manufacturing facilities, and we also faced logistical constraints in movement of goods and manpower. However, we swiftly resumed operations in mid-April post regulatory approvals, and worked towards effective plant utilisation as well as complete well-being of our employees.

To safeguard the health and well-being of our employees, we established standard operating protocols and procedures as we commenced our manufacturing operations. This included daily sanitisation of all our facilities, temperature scanning, wearing of safety gear, and ensuring social distancing amongst the employees. Additionally, we also proactively adopted the “Work-from-Home” culture by providing adequate connectivity and deploying relevant data-security measures to our employees, ensuring seamless continuity of our business operations.

LEVERAGING A DE-RISKED BUSINESS MODEL

In the current challenging times, it is our strong and de-risked business model that is providing us with creative survival strategies. We cater to diverse sectors and end-user industries through our broad product portfolio. Our extensive domain expertise in multiple process chemistries has lowered our dependence on a single chemistry and further widened our customer base. Not only this, we have also widened our global footprint by increasing our exports. Today, we export our products to various geographies across the globe, which contributes 15% to our revenues. This accords us with a superior ability to withstand industry and country-wise specific shocks.

The synergistic acquisition of Amarjyot Chemical Limited during the previous year, has made us one of the leading manufacturers



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and suppliers of chemicals. It helped us attain increased manufacturing capacities and also provided significant depth to our product offering with a wide spread of value-added products. Today, we can command a niche and value-added product portfolio that find applications in dye, pigments, pharma and agro-chemical intermediates industries. Backed by a strong portfolio of high-quality and innovative products, coupled with our competitive cost advantages, we are confident of maintaining stability and sustainability in our operations and profitability, as we move forward.

BUILDING OUR CORE FIBRE

We support the government's "Make in India" initiative with the objective of job creation and nation-building initiatives and to transform India into a global manufacturing hub. To actively participate in this, we maintain a stringent focus on expanding and augmenting our manufacturing strengths and capacities. In light of the growing demand, we increased Chlorophenol capacity to 18,000 MT per annum by completing the expansion at the Sarigam plant. We added Ortho Nitro Anisole and Para Nitro Anisole to our portfolio. We also undertook expansion at the Jhagadia plant for hydrogenation. Backward integration will enable us in manufacturing key raw materials in-house and in providing significant cost savings and better profit margins.

We have increased the capacities of our hydrogenation products from the earlier 18,000 MT per annum to 26,000 MT per annum. Further, we are increasing the Ammonolysis capacity at Tarapur and Vapi plants from ~13,000 MT per annum to 16,000 MT per annum. We are likely to commence operations of Para Amino Phenol (PAP) and Ortho Amino Phenol (OAP), which are import substitutes, in the second half of FY 2020-21. PAP has been identified as key intermediates of pharma products by the government, which is to be incentivised under recently announced PLI Scheme. The management is considering to set up a plant for Paracetamol with other drug intermediates and APIs in future.

All these are expanding our capabilities and helping us cater to the growing addressable market and heightened demand for our intermediates in end-user industries. Improvement in capacities is leading us to become a significant player with robust financials and a healthy bottom line, turning us into a reliable and long-term, high-quality supply chain partner and improve our profitability.

Further, to improve operational yield, cost efficiencies, and safety, our constant endeavour is to automate our operations and reduce human intervention. Today, our Tarapur, Vapi and Jhagadia plants are in the process of being automated.

TOWARDS CONSOLIDATION

During the year, we continued our emphasis on consolidating our operations by integrating the processes and moving up the value chain. Today, our multi-purpose plants enable us service the diverse needs of our customers, while achieving economies of scale

and improving our cost efficiency. Our increased manufacturing capacities, coupled with R&D strengths and integrated operations, are constantly enabling us to develop high value and margin accretive downstream products and value-added import substitutes, providing increased growth opportunities and superior revenue visibility. With all these strategies, we are on the constant path of achieving sustainable growth as we deliver enhanced value creation capabilities, and strengthen our resilience to face the challenging times, yet come out unscathed.

BENEFITING FROM INDUSTRY DYNAMICS

China's competitive position in the global markets has been diminishing in the past few years on account of stringent environmental and safety norms imposed and led to the shutdown of several chemical plants. With a significant increase in compliance costs, many chemical plant operations have become unviable. India, with its low-cost advantage, is emerging as an alternative manufacturing and supply chain hub for major global economies.

Being among India's leading specialty chemical manufacturers, we, at Valiant Organics Limited, are well positioned to capitalise on these emerging business opportunities by significantly leveraging our operations, expanding capacities and extensive domain knowledge. We remain confident of growing our market share in the domestic and international markets by virtue of our strong and niche product portfolio, enhanced capacities and R&D capabilities. Adding to this, our competent and highly-qualified Board with deep domain expertise and vast cumulative experience, enables us well to undertake the advantages posed by changing industry dynamics.

OUTLOOK

We are well prepared to take advantage of the growing opportunities in specialty chemicals, as India's specialty chemicals market sets itself on the growth path for the coming years, and with a rising need for specialty chemicals in the end-use domestic markets. As we add specialty chemicals to our portfolio and continually update our product mix, we remain well positioned to capture this growth and become a leading specialty chemicals player in India, delivering sustainable stakeholder growth.

I would like to thank all our key stakeholders for their continued support and faith in the Company. I would like to especially appreciate all our employees for their extended efforts post-lockdown, as we re-started our plants and resumed operations.

Moving forward, we will continue our commitment to achieve sustainable growth by building a resilient business model and ensuring inclusive growth for all our stakeholders.

With regards,

Arvind Kanji Chheda
Managing Director

Board of Directors



Chairman Emeritus
SHRI CHANDRAKANT V. GOGRI

Mr. Gogri is a stalwart in the Indian chemical industry and the founder of the Aarti Group of Companies. He possesses expertise in the areas of projects, operations, process development and local & international marketing. His keen business acumen and over five decades of experience has helped the Aarti Group scale new heights of success.

We believe that under his valuable guidance, the Company will keep touching newer peaks.



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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 MULESH M. SAVLA
Independent Director

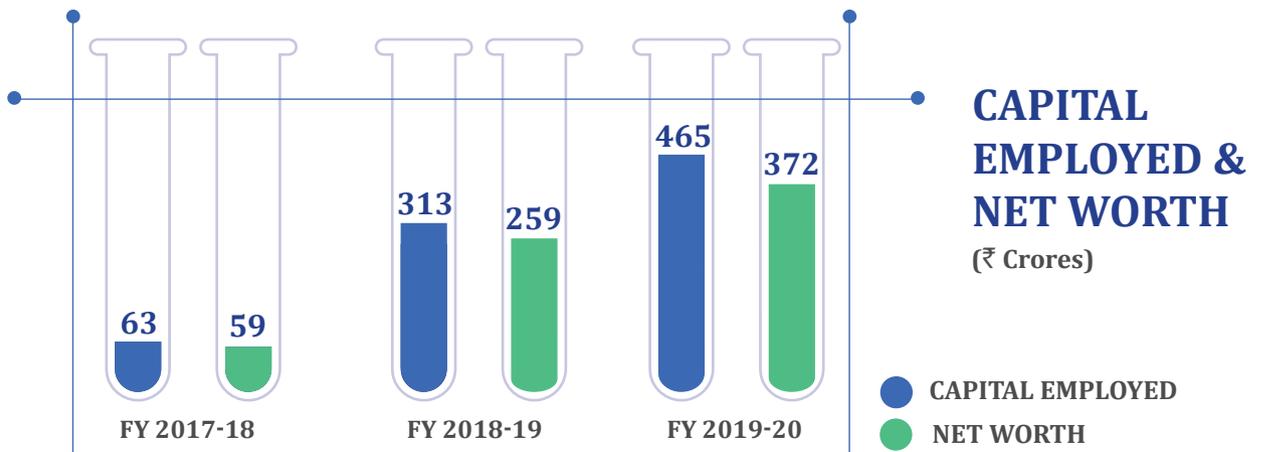
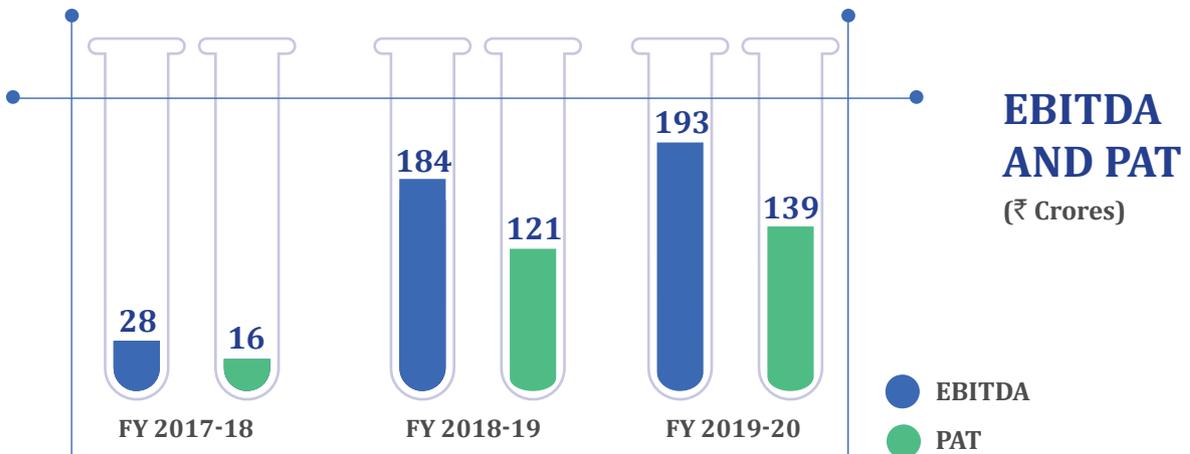
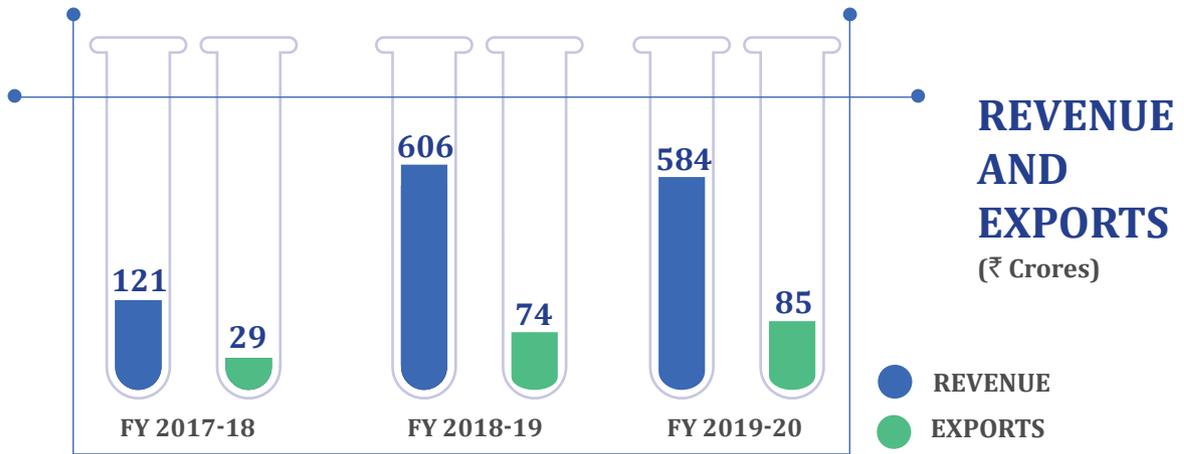


SHRI DHIRAJLAL D. GALA
Independent Director



SMT. JEENAL K. SAVLA
Independent Director

Delivering Growth Amidst Challenges





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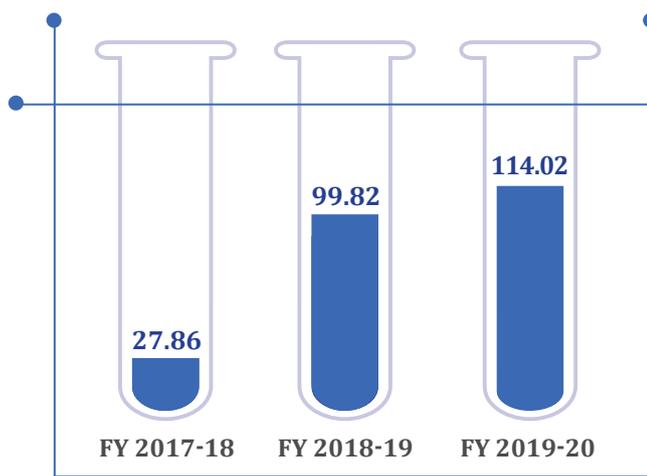
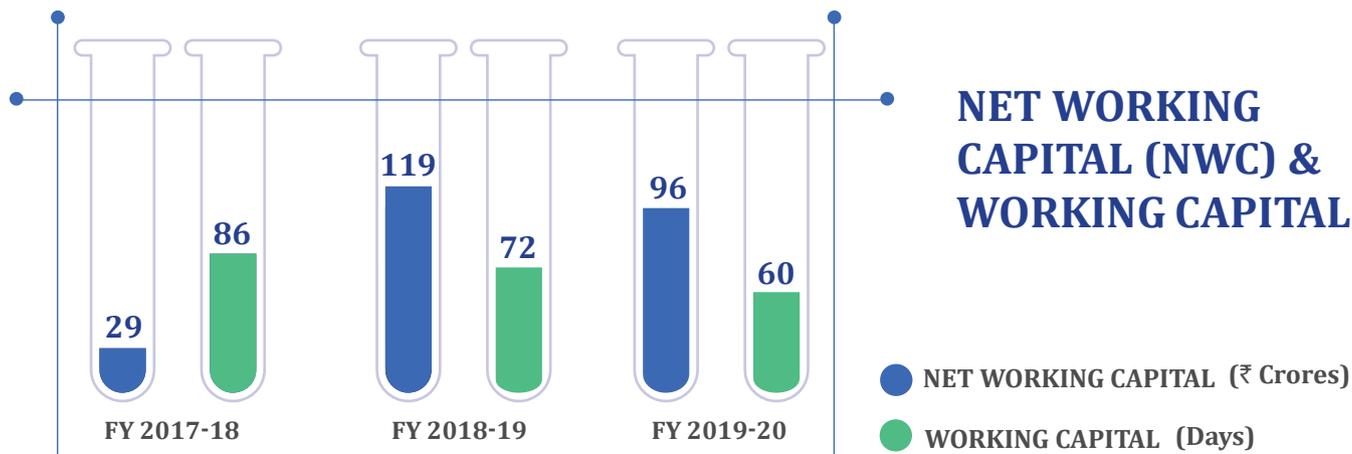
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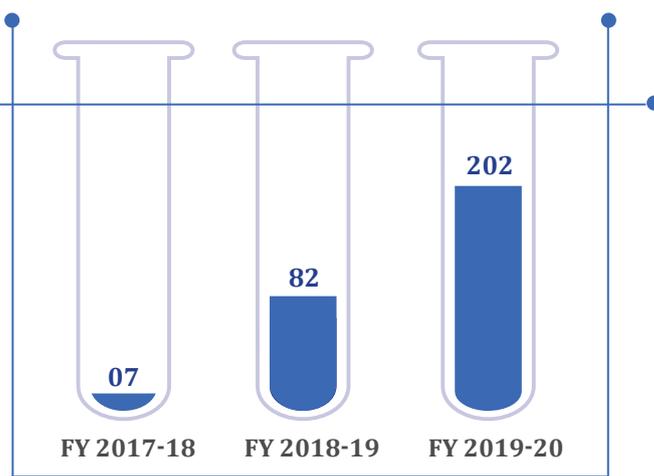


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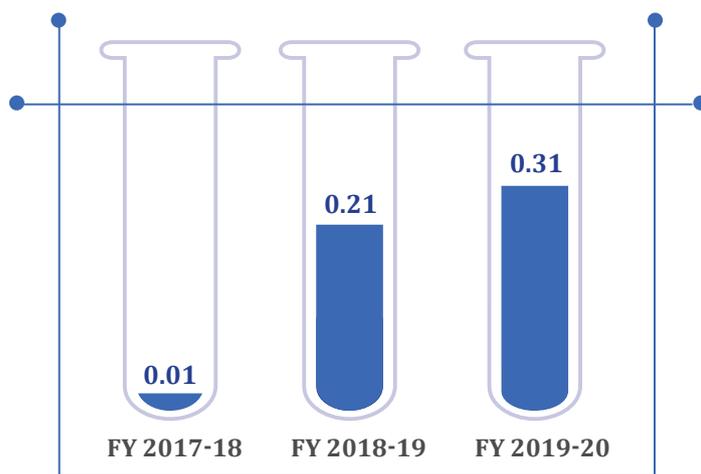
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(in ₹)



(in ₹ Crores)



DEBT EQUITY RATIO



Building on Our Core Strengths

We are undertaking large-scale expansion of our manufacturing capacities and integrating forward and backward to achieve cost optimisation. Augmenting capacities leads us towards harnessing of better operating leverage, improving operating margins and achieving economies of scale.

Through our highly integrated operations, we have the ability to produce a wide variety of products. We are one of the most competitive producers of Chlorination, Ammonolysis, Acetylation, Hydrogenation, Methoxylation products. We are persistently strengthening our manufacturing capacities with the aim of becoming competitive by spreading the overheads, attaining better bargaining power and enhancing our profitability.

During the year, we completed the expansion of Chloro Phenols capacity at Sarigam. With this, we achieved a capacity of 18,000 MT per annum in the expected timeframe. Thus, from 4,800 MTPA in FY 2017-18, we have trebled our capacity within a span of two years. Today, we are doing a mix of chlorinated products at this plant and have strengthened our portfolio, which added to our competitive market advantage. This adds to our capability of adding margin-accretive downstream products by using new raw material and by undergoing the same process. We also added Ortho Nitro Anisole and Para Nitro Anisole to our portfolio. Additionally, we undertook expansion at the Jhagadia plant for hydrogenation.

As part of capacity expansion, we are working on three new projects at Jhagadia, with an estimated capex of ₹ 100 Crores. Further, we also have a land bank of 68,000 sq. metres at Sayakha and Dahej, Gujarat, to further develop new products.



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EXPANDING DOWNSTREAM

By leveraging our extensive domain knowledge and integrated manufacturing operations, we have increased the capacity of our downstream products at Tarapur and Vapi. We increased the ammonolysis capacity from 13,000 MT to 16,000 MT per annum. The cost benefit of this will be evident from the second half of the financial year FY 2020-21. Besides having expanded capacities of hydrogenated products like Ortho Anisidine and Para Anisidine, we are adding new products such as PAP/OAP. This is aimed at reducing our dependence on imports, generating better margins and stabilising product pricing.

FORWARD AND BACKWARD INTEGRATION

We are proactively undertaking forward integration and adding new products to broaden our product value chain. We are also backward integrating to manufacture key raw materials and reduce our dependence on suppliers and lower procurement costs. This will greatly assist in controlling our production cost and product quality, with superior delivery timelines and optimise our margin profile, as we move forward.

Our strategic backward integration at the Jhagadia plant led us to manufacture our own raw material, instead of procuring it from suppliers, leading to significant cost saving and superior profit margin. This enabled us to accrue a cost advantage, which will directly impact our bottom line positively.

As part of capacity expansion, we are working on three new projects at Jhagadia, with an estimated capex of ₹ 100 Crores.



Integrating Our Operations

With our unique product portfolio and with integrated manufacturing operations, we enjoy a competitive market position. With this, we cater to the diverse needs of customers from different industries and geographies and leverage the robust demand scenario.



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Our multi-purpose plants give us the opportunity to cater to the niche demands of our customers and enhance our viability of being a preferred supplier of specialty chemicals. By virtue of our multi-purpose plants, we can quickly adapt to changing market dynamics and churn the product mix and quantities in favour of value-added grades, depending upon the changing demand, and implement cost efficiencies. This helps draw significant economies of scale, thereby laying the foundation for a resilient business and profitable growth.

We are thus monetising the plants efficiently by making value-added products in the same value chain. We are also integrating our processes and consolidating our operations to improve cost efficiency through agile and efficient capacity utilisation.

OPTIMUM UTILISATION

Fully integrated and multi-purpose manufacturing processes, with no significant reliance on job-work and production outsourcing, supports us in achieving superior operational control. Being multi-purpose, we can sweat our assets more and optimally utilise them, which adds to our cost benefit. The integrated manufacturing capability gives us economies of scale, makes us more competitive in the marketplace and enables us to achieve higher capacity utilisation. Further, our unique portfolio enables us to customise and manufacture different products and quantities.

AGILE MANUFACTURING

Our ability to promptly adapt to a different product mix within the same facility, in keeping with dynamic market demands, facilitates us in being agile in our manufacturing operations. This allows an optimum capacity utilisation of our plants, resulting in economies of scale and a significant cost advantage in our key markets. This cumulatively accords us a distinct competitive advantage in the areas we operate.



Astute manufacturing helps us meet the diverse needs of our customers efficiently and effectively, win significant trust of our customers and emerge as a preferred supplier for our marquee customers.

Towards Greener Chemistry

We are focussed on harmonising standards across the supply chain by addressing the increased demand for chemicals and promoting safer chemistries. Our eco-friendly process of hydrogenation to make specialty chemicals, results in green chemistry and zero pollution.

Today, we are recognised amongst the largest specialty chemicals manufacturer in India on an accelerated growth path with competitive advantages. We are committed and steadfast towards adhering to Zero Liquid Discharge Units. Of the five manufacturing facilities, four are committed to being zero discharge units. This ensures zero discharge of harmful chemicals during manufacturing. By contributing to these practices, we support the implementation of sustainable chemistry and best practices to protect the environment. Further, our unit at Ahmedabad is a member of the Common Effluent Treatment Plant (CETP).





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We continue to emphasise on sustainability to achieve greener process chemistry with minimal to zero discharge of harmful pollutants.



IMPLEMENTING DISTRIBUTED CONTROL SYSTEM

Equipped with advanced technologies, our manufacturing plants are geared towards automated systems with minimum human intervention. We are in the process of implementing the Distributed Control System (DCS) at Tarapur and Vapi, to bring about state-of-the-art automation and better safety systems. This helps us maintain consistency in product quality and optimally utilise our assets. This has provided us with significant competitive advantage as we improve production yield and improvise our product quality, while lowering charging time and total costs.

ENSURING HEALTH & SAFETY

Being a chemicals company, we are always aiming at excellence in our business practices. We take the highest degree of care to ensure that quality of products is never compromised. We operate to the highest environmental, health, safety and quality standards. We conduct regular safety training of our employees and undertake safety management steps, with a strong commitment to Safety, Health & Environment, undertaking standard operating procedures. We also conduct safety reviews at frequent intervals and any proposed change is evaluated prior to implementation. Strict delineations of each manufacturing process is ensured, with as little manual intervention as possible.

ECO-FRIENDLY HYDROGENATION

We continue to emphasise on sustainability to achieve greener process chemistry with minimal to zero discharge of harmful pollutants. We have been carrying out an eco-friendly hydrogenation process at the Jhagadia plant, using hydrogen gas.

IMPROVING PLANT PRODUCTIVITY

In order to achieve energy savings, we have converted plants' distillations operations from batch to continuous mode. This has reduced plants' energy requirement per unit of output. Furthermore, we are able to achieve moderate cost savings by converting high-pressure steam from manufacturing processes to power the plants.

CONTINUED EFFORTS ON SUSTAINABILITY

- High-pressure steam from manufacturing processes converted into power and utilised for plant's running. This reduces power usage and results in cost savings.
- Following eco-friendly process of Hydrogenation (using hydrogen gas) to make Specialty Chemicals, resulting in Green Chemistry and reduced pollution.

Serving Communities. Bringing Smiles.

We believe the progress of society's deprived sections should go hand in hand with growth of the Company. Our objective is to ensure socio-economic development of the society, our integral stakeholder, to help them become self-reliant and build a better tomorrow for themselves.

At Valiant Organics Limited, we are committed to the welfare of under-served communities. We strive to promote environmental sustainability through ecological balance, conservation and by maintaining the quality of soil, air and water. We are also committed to ensure the implementation of the proposed CSR programmes to bring about meaningful and sustainable development of the underprivileged sections of society.

Our areas of focus are centred around eradicating of hunger, poverty and malnutrition; promoting healthcare; promoting education among children, women and the differently abled; providing livelihood enhancing opportunities; providing environment sustainability and ecological balance; promoting sports; and rural development projects.





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OUR THRUST AREAS IN CSR



Project	Sector in which project is undertaken	Location
 Education and Skill Development	To be held in education of the underprivileged	Mumbai and Gujarat
 Healthcare	Hospital and medical colleges	Mumbai, Thane and Gujarat
 Environmental Sustainability	Environmental welfare	Gujarat
 Social Welfare	To be held in areas of relief of poor, differently abled people and old-aged people	Mumbai, Thane and Gujarat
 Women Empowerment	Promoting women welfare	Kutch, Gujarat



Corporate Information

CHAIRMAN EMERITUS

Shri Chandrakant V. Gogri

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

CHIEF FINANCIAL OFFICER

Shri Arvind K. Chheda
(up to August 28, 2020)
Shri Piyush P. Lakhani
(w.e.f. August 29, 2020)

REGISTERED OFFICE ADDRESS

109, Udyog Kshetra, 1st Floor,
Mulund-Goregaon Link Road,
Mulund (West) Mumbai – 400 080
Ph No: +91-22-6797 6683
Website: www.valiantorganics.com

CORPORATE IDENTIFICATION NUMBER

L24230MH2005PLC151348

BANKERS

Citi Bank
Standard Chartered Bank

EXECUTIVE DIRECTORS

Shri Vishnu J. Sawant
Shri Mahek M. Chheda
Shri Mahesh M. Savadia
Shri Bijal D. Modi
Shri Dinesh S. Shah

NON-EXECUTIVE DIRECTORS

Shri Dattatray S. Galpalli
Shri Tukaram P. Surve
(Ceased to be Director w.e.f. October 15, 2019)

COMPANY SECRETARY

CS Vyoma M. Vyas

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.
1st 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
**(From April 01, 2019 to February 10, 2020)*

M/S. Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083
Tel No: 022 - 49186270
Fax No: 022 - 49186060
Visit us at: rnt.helpdesk@linkintime.co.in
**(From February 11, 2020)*



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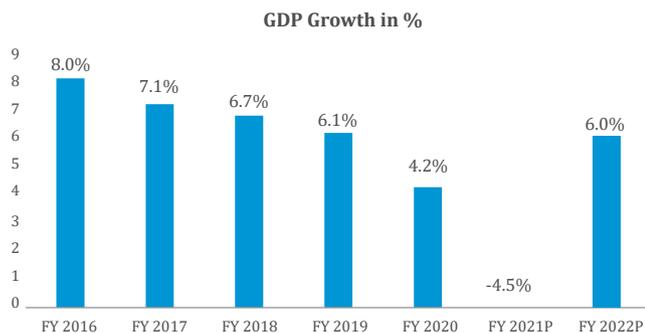
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ECONOMIC OVERVIEW

The Indian economy was impacted by the global economic slowdown and some country specific growth deterrents in FY 2019-20. Stress in the financial sector, lower GST collections and strain on fiscal deficit caused a steady drop in consumption, investment and trade. The general Consumer Price Index (CPI) increased to 4.8% in FY 2019-20 from 3.4% in FY 2018-19. Further, the outbreak of the novel Coronavirus pandemic (COVID-19) during the fourth quarter of the financial year brought the Indian economy down to its lowest growth in ten years in FY 2019-20. Both National Statistical Office (NSO) and Internal Monetary Fund's June World Economic Outlook calculated India's Gross Domestic Product (GDP) growth at 4.2% in FY 2019-20, compared to 6.1% in the previous year.

Actual and Projected GDP Growth in India (%)



Source: IMF World Economic Outlook: <https://www.imf.org/en/publications/weo> (P=Projected)

The government took certain measures to provide monetary support to the economy and scale up logistics infrastructure. India's total foreign exchange reserve and foreign direct investment (FDI) flow remained strong and it climbed up to the 63rd rank in the World Bank's Ease of Doing Business in FY 2020. Additionally, the announcement of the National Infrastructure Pipeline (NIP) with a budget of ₹ 102 lakh crore and the Union Budget 2020-21 were targeted towards sustainable economic growth. New manufacturing companies also got the boost with the base corporate tax rate cut to 15%. However, the unprecedented spread of the coronavirus pandemic and the following lockdown posed fresh challenges to the growth strategies.

Aatmanirbhar Bharat

With a focus on surviving this medical and humanitarian crisis, ramping up the healthcare system and supporting the economy,

the Government announced a ₹ 20 lakh crore Coronavirus Relief Package called "Aatmanirbhar Bharat". The package announced policy and liquidity support to cottage industries and MSMEs, NBFCs, labourers, farmers, middle class, and urban and rural poor emphasising localisation and building a self-reliant economy. RBI contributed to the package by cutting the repo rate and reverse repo rate further to 4% and 3.75% respectively over and above the 135 basis points reduction till March 2020. This was intended to make loans easily available to banks and discourage parking of cash by commercial banks with RBI. Further, to inject liquidity into the economy, it allowed loan repayment moratorium for six months till August 2020. Additionally, the package offered tax breaks and collateral-free loans for businesses and MSMEs and incentives for domestic manufacturing.

Outlook

The quick intensification of the pandemic in India in Q1 FY 2020-21 led economic experts to revise their outlook for the country for the current fiscal. To ease the economy and resume the growth momentum, the Government decided on a phased reopening of economic activities since June with strict SOPs. However, despite all the support, the outlook for FY 2020-21 will be determined by the containment of the virus spread and normalisation of the activities. IMF projected a negative growth of 4.5% for FY 2020-21 in its June WEO. However, it projects the Indian economy to grow by 6% in FY 2021-22, supported by Government's long-term policy reforms.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOupdateJune20>

http://www.mospi.gov.in/sites/default/files/press_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf

INDUSTRY OVERVIEW

India's Chemical Industry

India is the 6th largest producer of chemicals in the world. According to Federation of Indian Chambers of Commerce and Industry (FICCI), the market size of India's chemicals industry stood at USD 178 billion in FY 2018-19. India produced 27,858 thousand MT of total major chemicals and petrochemicals during FY 2018-19, a rise of 4.18% over FY 2017-18. For FY 2019-20 (up to September 2019), the total production stood at 13,871 thousand MT.

Source: <https://chemicals.nic.in/sites/default/files/English%20Annual%20Report%20date%2024-2-2020.....pdf>



Quick facts

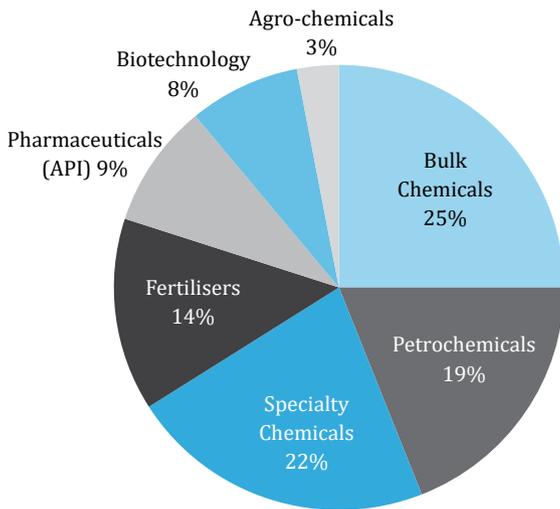
1.34% India's Gross Value Added (GVA)	12.3% Share in India's total exports	3.4% Contribution to global chemical industry	16% Share in dyestuff and dye intermediates production (global)	2+ Million employment generator
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Basic chemicals and their downstream products (petrochemicals, fertilisers, paints, varnishes, glass, perfumes, toiletries, pharmaceuticals, etc.) constitute a significant part of the Indian economy because of their applications in diversified end-user sectors. The chemical industry includes more than 80,000 commercial products, ranging across various industries. In India, the per capita consumption is still low at one tenth of the global average. However, the demand for chemical products is expected to rise in the next decade driven by population growth, rising middle class and increasing disposable incomes.

India's Chemical Industry Constituents

The major constituents of the Indian chemical industry are specialty chemicals, bulk chemicals, petrochemicals and fertilisers. Pharmaceuticals (API), Biotechnology and Agro-chemicals contribute to the rest of the industry.

Chemical Industry Breakup



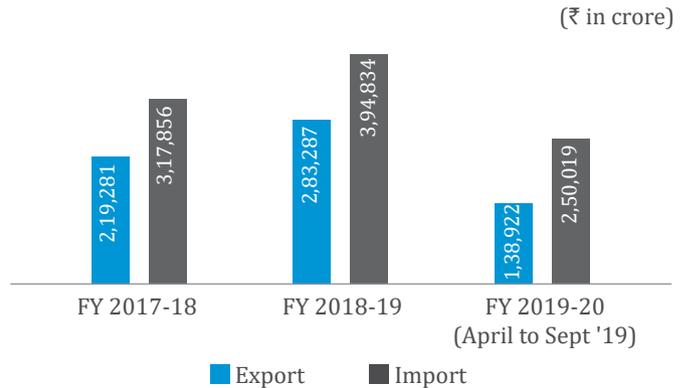
Source: Federation of Indian Chambers of Commerce and Industry (FICCI)

Alkali chemicals had the largest share in the chemical industry in India with approximately 69% share in the total production and petrochemicals contributed 19%. Production of polymers accounts for around 61% of the total production of basic major petrochemicals. The country also ranks third globally in the production of agro chemicals. The agrochemical market is expected to reach the size of USD 3.7 billion by FY 2022 and USD 4.7 billion by FY 2025. The petrochemicals demand in India is expected to grow at a CAGR of 7.5% in the period from FY 2019 to FY 2023. As per McKinsey Insight, building self-sufficiency in petrochemicals to compensate the shortfall of domestic supply of 52% can open up an opportunity worth about ₹ 82,000 crore for the chemical sector.

Trade Scenario

Chemicals are a significant part of India's foreign trade, consistently ranking third in imports and fourth in exports for the past five years. In FY 2019-20, India had a chemical trade deficit of ₹ 1.1 lakh crore. This indicates the growing domestic demand and the availability of cheaper import options.

Exports and Imports of Chemicals (excluding Pharmaceutical Products and Fertilisers)



Source: Department of Chemicals and Petrochemicals (<https://chemicals.nic.in/sites/default/files/English%20Annual%20Report%20date%2024-2-2020.....pdf>)

The size of the Indian chemical industry, led by the Indian Chemical Council (ICC), is expected to increase to USD 300 billion by FY 2024-25 if the proposed infrastructure and policy changes are implemented by the Government. The expansion will require an investment of about USD 75-100 billion. Further, the industry needs Government support to reduce import dependency, increase exports and facilitate raw material requirement. Despite the macro-economic challenges and the COVID-19 outbreak that caused India's GDP growth rate to drop to 4.2% in FY 2019-20, India still has a positive growth outlook in the long term. The Government is also working on becoming a USD 5 trillion dollar economy and is boosting investment. This long-term optimistic scenario bodes well for chemical companies in the country, which can benefit from rising domestic demand in chemical end-use sectors.

Source: <https://www.investindia.gov.in/sector/chemicals>
<https://chemicals.nic.in/sites/default/files/English%20Annual%20Report%20date%2024-2-2020.....pdf>
<https://issuu.com/marketsmithindia/docs/marketsmithchemsecpicks2020>
<https://www.mckinsey.com/industries/chemicals/our-insights/indias-chemical-industry-unleashing-the-next-wave-of-growth>



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Global trends Impacting Indian chemical sector

The global chemical market has been going through a transformation phase in recent times. The change is mostly driven by a shift in manufacturing base from the west to the east, stringent environmental regulations, trade clash between major economies and digitalisation. The key trends in the market, which are likely to create a positive impact on the Indian chemical industry, are as follows:

- **China's chemical industry consolidation**

China has so far been the key supplier in the global chemical market with a contribution of 35-40% to the total demand. However, China's chemical industry is consolidating due to stricter environment norms and tighter financing. These factors are creating uncertainty for international players that source chemicals from China. That could create opportunities for Indian chemical companies to leverage on the gap in certain value chains and segments.

- **Trade conflicts**

The continuing trade conflicts between China, the United States and Western Europe have disrupted the global chemical supply chain. The restrictive trade policies of the US are also fuelling repercussions for other economies. Under such an environment, the chemical markets that remain accessible could present opportunities for Indian chemical companies.

- **Downstream expansion in petrochemicals**

Several global oil and gas majors are shifting their focus on downstream chemical opportunities. The petrochemicals industry in India can be benefited from this. Higher investment in the sector could help in raw material security and boost self-sufficiency for the manufacturers of petrochemicals.

- **Mergers and acquisitions**

Mergers and acquisitions are new trends that are driving the industry and can help in prioritising core business and achieving greater scale through consolidation. Indian players can leverage on this trend to enhance their competitive advantage.

- **Digitalisation**

Global chemical industry is deploying digital technology to enhance efficiency and productivity. With India's steady advancement in digital technology, Indian companies can upgrade their technology capabilities to boost profit margins.

- **Focus on environment sustainability**

Sustainability is no more a choice, but an imperative for every company to achieve long-term growth. Chemical companies could prioritise environmental sustainability and improve their environment footprints in order to be at par with global players.

Source: <https://www.mckinsey.com/industries/chemicals/our-insights/indias-chemical-industry-unleashing-the-next-wave-of-growth>

India Chemicals Market: Opportunities and Challenges

Opportunities	Challenges
<ul style="list-style-type: none"> ● Growing disposable incomes and increasing urbanisation are fuelling the end consumption demand for personal care, paints, packaged food, textiles, adhesives, and construction, which, in turn, is driving chemical demand. ● The chemicals industry in India is the largest consumer of its own products, consuming 33% of its output for downstream applications. ● The industry has a diversified manufacturing base that produces world-class products and is supported by trained manpower. ● India has a strong presence in the export market in the sub-segments of dyes, pharmaceuticals and agro chemicals. ● As the Chinese chemical industry is contracting, India can leverage on the gap. ● The Government allows 100% FDI under the automatic route in the chemicals sector (except in the case of certain hazardous chemicals). 	<ul style="list-style-type: none"> ● The specialty chemicals market in India is operated mostly by small-scale firms that cannot compete with large firms functioning in the global market. ● Due to the fragmented nature of the market and high dependence on end-user industries, the industry faces stiff competition, with buyers switching brands for product quality and price advantage. ● Threat of cheaper imports and scarcity of raw materials impacting domestic production. ● Lack of Government support in the form of feedstock availability and protection from cheaper imports. ● Strict environmental regulations because of hazardous manufacturing process. ● China's dominating presence in the global market.

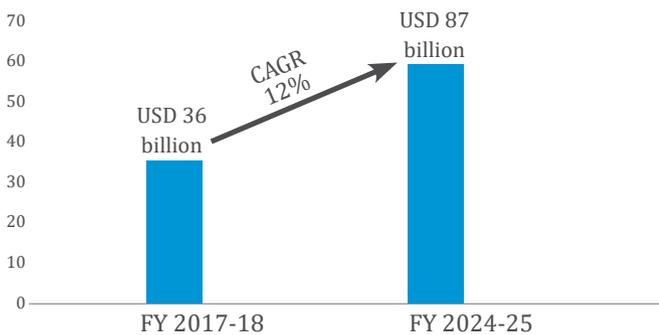
Source: FICCI



India's Specialty Chemicals Industry

Specialty chemicals are high-value, low-volume chemicals, which are used in specific performance-enhancing applications in several end-user industries. Specialty chemicals constitute about 22% of total chemicals and petrochemicals market in India. According to the Federation of Indian Chambers of Commerce and Industry (FICCI), the Specialty chemical industry in India had a market size of USD 36 billion in FY 2017-18. It is projected to record a demand growth of 12% to 14% during the next five years. This growth is expected to be mostly driven by growing end-user demand from home & personal care, packaging, polymer, adhesives, and other industries. The sector will be further augmented by the emerging export opportunities and import substitution.

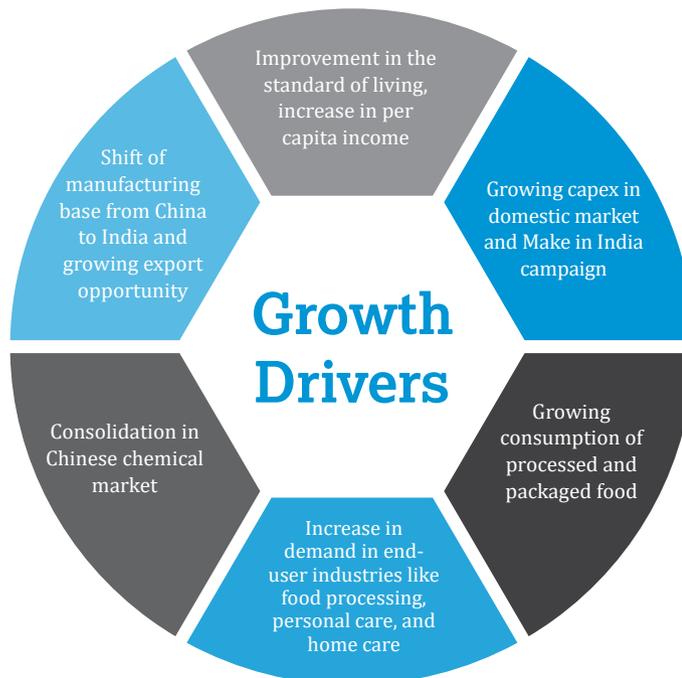
Specialty Chemical Industry: Growth Projection



Source: FICCI, Edelweiss research

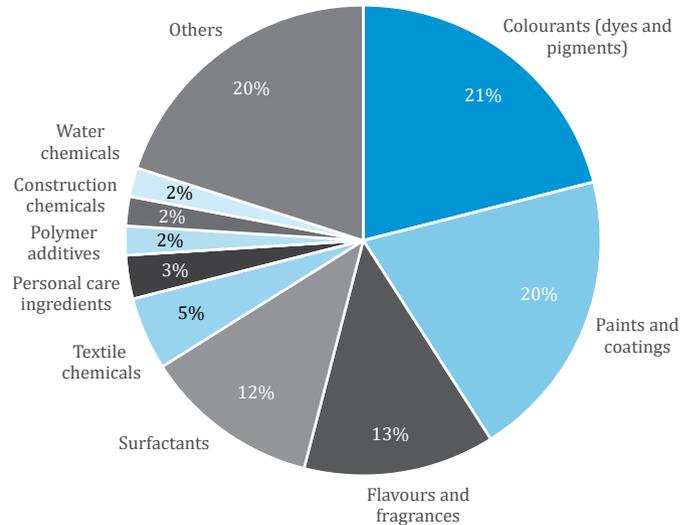
Source: https://www.dsij.in/productAttachment/premarketreports/Market_specialtyChemicals_Edelweiss_26.06.19.pdf

Growth Drivers and Challenges



Specialty chemicals can be sub-divided based on end-user industries and applications. The constituents of the specialty chemicals industry are colourants (dyes and pigments), paints and coatings, surfactants, flavours and fragrances, personal care ingredients, polymer additives, textile chemicals, construction chemicals, water chemicals and others.

Specialty Chemical Segmentation



Source: Federation of Indian Chambers of Commerce and Industry (FICCI)



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The Specialty Chemicals sector in India also faces a number of challenges. It has a fragmented structure with only a few scaled up Indian players. Most segments in India face a dominating presence of a few major global leaders. This impacts the competitiveness of Indian players. Secondly, several special chemical products have already been commoditised as bulk material or are at risk of it. Specialty chemical manufacturers need to invest on niche applications and product innovation in order to improve their margins. Further, the industry has strict environmental rules and regulations which can be detrimental to industry players. The cost of compliance might make operations economically unprofitable for small scale players.

Summary

The industry has stringent entry barriers with regards to product approvals / registration process, vendor acquisition, customer stickiness and performance consistency. This ensures sustainable growth for companies in the specialty chemical space. The emerging opportunities and growth potential have enhanced the capex plans of companies with more investments coming for Greenfield or Brownfield projects. The aggregate capex of the specialty chemical sector is estimated to be at ₹ 61.7 billion during the period FY 2019-21, which is likely to be 60% higher compared to ₹ 37.7 billion over FY 2016-18. Further, upon the COVID-19 crisis, global players have been understanding the need to not limit concentrated manufacturing within a single country or location. Further, they are also considering diverse players to source their raw materials. A significant chunk of this business is expected to be awarded to Indian manufacturers. It was also encouraged by the trade clash between the major economies. With such global opportunities coming their way, the Indian Specialty chemical industry is expected to be the next big pillar in exports after the IT sector.

Source: https://www.avendus.com/rypted_pdf_path/img_5b0cef2c24ae01.44212494_avendus_specialty_chemicals_report.pdf
<https://issuu.com/marketsmithindia/docs/marketsmithchemsecpicks2020>

COMPANY OVERVIEW

Valiant Organics Limited (The Company) is a chemical company with a key focus on manufacturing and supplying of specialty chemicals in India and abroad. The products find applications in a number of industries such as agro-chemical, pharmaceutical, rubber, and dyes and pigment industries, and veterinary drugs manufacturing.

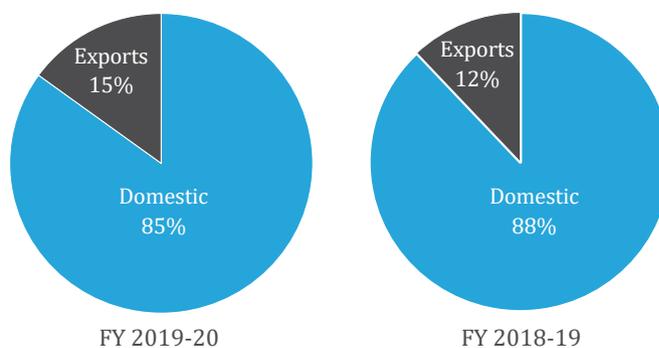
The Company commenced business as a partnership concern under the name of Valiant Chemical Corporation in 1984. It was registered as a private limited company in 2005 and later in 2015; it was converted into a public limited company.

Supported and guided by a legacy of 35 years and a strong portfolio of high-quality and innovative products, the Company has established a

niche for itself as a highly reliable supplier and a diversified specialty chemical manufacturer. The Company manufactures products as per the specific requirements of customers and leverages on 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.

The strategic acquisition of Amarjyot Chemical Limited during FY 2018-19 has made the Company one of the leading manufacturers and suppliers of specialty chemicals. The acquisition not only escalated its manufacturing capacities, but also expanded its product portfolio with a wide spread of value-added products.

Revenue Break-up



Manufacturing Capabilities

The Company has integrated manufacturing facilities, which helps it manage all its core activities in-house, with no substantial dependence on outsourced or external manufacturing. The Company ensures uninterrupted supply of raw materials and consumables for seamless production process. The Company has 5 manufacturing facilities in the state of Gujarat:

Manufacturing Facilities	Process
Sarigam	Chlorination
Tarapur	Ammonolysis
Vapi	Ammonolysis
Jhagadia	Hydrogenation, Hydrogenation with condensation and Methoxylation
Ahmedabad	Sulphonation and Acetylation

Capacity Expansion

The Company started expansion of its manufacturing capacities at Sarigam and Jhagadia in FY 2018-19. Despite all the macro challenges, it continued expanding and augmenting its manufacturing capabilities and completed the expansion of Chloro Phenols capacity at the Sarigam plant. It achieved a capacity expansion of 18,000 MT per annum during the year under review. The expansion has enhanced the Company's capability of adding high margin downstream products by using new raw materials.

As part of its expansion strategies, the Company is working on new projects at Jhagadia. The Company has a landbank in Sayakha (68,000 sq.m.) and Dahej (12,000 sq.m.) for further expansion. A capex of ₹ 100 crore has been allocated for the expansion projects at Jhagadia, in the current financial year and the Company is expected to commence other capacity expansion projects in FY 2021-22.

Backward and Forward Integration

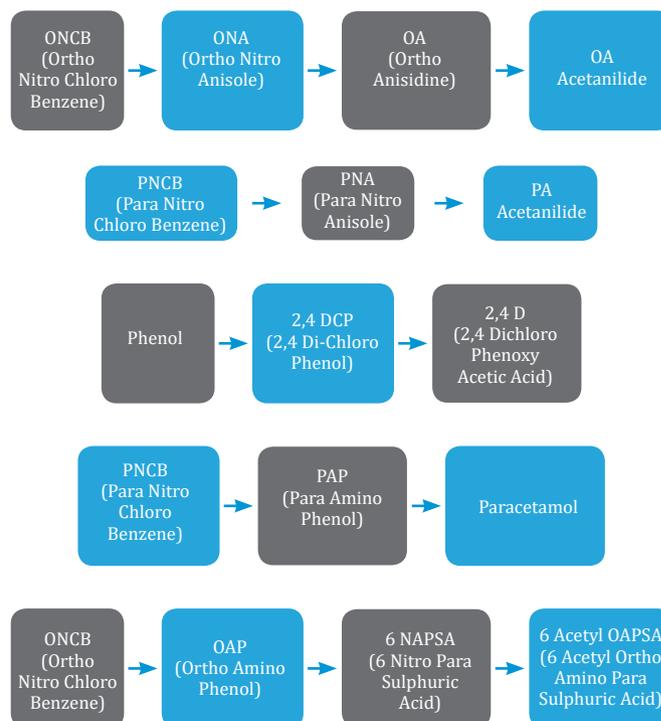
The Company is taking up both backward and forward integration projects through strategic expansions. The backward integration at the Jhagadia plant helped the Company manufacture its raw materials in-house leading to significant cost savings and superior profit margins. This will also assist in maintaining product quality and better delivery timelines and optimise profits margins in future. As per the government policy for Make in India, the Company is planning to apply for environmental clearance for drug Intermediates / API as import substitutes. It is also aiming to pursue organic and inorganic growth.

As part of forward integration, the Company is leveraging on its extensive domain experience and integrated manufacturing operations. It has increased the production capacity at Tarapur and Vapi plants. These products are mostly value-added intermediates and import substitutes, which will broaden the product value chain and have a significant cost benefit on end products and stabilise pricing.

In the year under review, debottlenecking in Tarapur and Vapi plants has also helped the Company in improving efficiency and

productivity. The Company is implementing Distribution Control System (DCS) at Tarapur and Vapi, to bring about state-of-the-art automation and better safety systems. This has helped in maintaining consistency in product quality and optimising the resources while lowering charging time and production costs.

Highly Integrated Operations: Product Value Chain



Key Financial Ratios

Key Ratio	UoM	FY 2019-20	FY 2018-19	Increase / (Decrease)	Explanation
Operating Profit Margin	%	30.86	28	8.51%	Good Product Mix and better margins
Debtors Turnover	Times	5.27	5.01	5.19%	Maintain healthy Debtor levels
Net Profit Margin	%	22.93	20	15.81%	Better Operating Margin plus reduction in tax rate
Return on Net Worth	%	44	47	(6.8%)	Continues to enjoy high return on net worth on the back of good profitability



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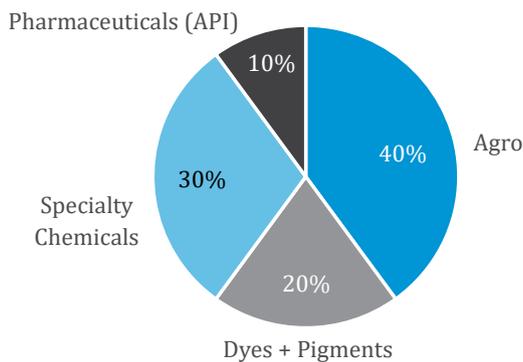
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Revenue Breakup End-User Industry-Wise



With the current ongoing projects and expansion plans, revenue share from Pharmaceuticals (API) is likely to increase in the coming fiscal.

Covid-19 Impact

The severe outbreak of COVID-19 pandemic and the following nationwide lockdown disrupted economic activities across all industries. It led to a temporary shutdown of the Company's manufacturing facilities and caused logistical challenges because of the restrictions in movement of goods and manpower. However, the Company resumed manufacturing operations in mid-April after the regulatory approvals, following all safety and hygiene protocols for the employees. Additionally, the Company approved work-from-home culture with adequate server connectivity and protected with relevant data-security measures.

The Company hopes to be operating at near normal levels from the second quarter of FY 2020-21. It is experiencing a gradual pick-up in demand for its products post commencement of operations.

Safety, Health, and Environment

Valiant Organics Limited operates according to the best practices with regards to environmental, health, safety and quality standards. After the operation resumption during COVID-19, the Company implemented strict standard operating procedures to protect the health of its employees. This covered daily sanitisation of the facilities, temperature scanning, wearing of safety gear, and ensuring social distancing among employees. With a strong commitment to Safety, Health and Environment (SHE) norms, the Company conducts regular safety training of employees and undertakes necessary safety management procedures.

The Company practises eco-friendly manufacturing with minimal to zero discharge of harmful pollutants. Of its five manufacturing units, four are Zero Liquid Discharge Units. It also implemented an eco-friendly hydrogenation process at the Jhagadia plant during the year to meet the objective. The Company has worked towards reducing plants' energy requirement per unit of output and achieved moderate cost savings by converting high-pressure steam from manufacturing processes to power the plants.

Risk Management

As chemicals/specialty chemicals are global commodities, the Company is exposed to the constant risk of currency and commodity cycles. Volatility in crude prices can also impact profitability, as a large part of raw material/intermediates are crude derivatives. Furthermore, uncertainty over China's chemical industry continues to pose a risk and can affect predictability of earnings. Trade conflicts also pose a threat to the business by impacting the supply chain. The outbreak of COVID-19 has caused widespread disruptions in economic activities globally including the operations in chemical industry and the Company.

Internal Control Systems

The Company has sound and adequate internal control systems, commensurate with its size and nature of business. The Company constantly upgrades its systems for incremental improvements. All systems and procedures are periodically reviewed and feedbacks are provided to the concerned departments for follow up. These systems ensure protection of assets and proper recording of transactions and timely reporting. The Company has an audit committee to oversee the efficiency and adequacy of all its systems.

CAUTIONARY STATEMENT

In this Annual Report, the Company has disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that it periodically makes, contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. The Company undertakes 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
VALIANT ORGANICS LIMITED

Your Board of Directors ("Board") are pleased to present this Fifteenth Annual Report of your Company ("the Company" or "Valiant Organics Limited") and the Audited Statement of Accounts for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue From Operations	58,357.66	60,597.62	67,493.35	69,230.25
EBIDTA	19,301.52	18,414.05	20,048.60	18,853.22
Depreciation and Amortization	1,289.73	1,179.65	1,544.28	1,364.12
Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items	15,955.54	16,591.35	16,366.74	16,616.41
Other Income/Exceptional Items	2,056.25	643.05	2,137.57	872.69
Profit/(Loss) Before Finance Cost	18,011.79	17,234.40	18,504.31	17,489.10
Finance Costs	100.83	148.97	224.16	367.65
Net Profit/(Loss) Before Tax	17,910.96	17,085.43	18,280.15	17,121.44
Total Tax Expenses	4,058.49	4,958.49	4,226.86	4,996.41
Net Profit After Tax	13,852.47	12,126.95	13,852.47	12,126.95
Earnings Per Share (₹)	114.02	99.82	114.02	99.82

FINANCIAL PERFORMANCE

During the year under the review, Revenue from operation of the Company stood at ₹ 58,357.66 Lakhs as compared to ₹ 60,598.62 Lakhs for the FY 2018-19. The Company has achieved export Sales of ₹ 8,500.21 Lakhs as against ₹ 7,394.13 Lakhs for the FY 2018-19. Earning before Interest Depreciation and Taxes (EBITDA) have been ₹ 19,301.52 lakhs as compared to ₹ 18,414.05 lakhs for FY 2018-19. Net Profit After Tax (PAT) has been ₹ 13,852.47 lakhs as against ₹ 12,126.95 lakhs for FY 2018-19.

Likewise Consolidated Revenue from operations of the Company is ₹ 67,493.35 lakhs as compared to ₹ 69,230.25 lakhs for FY 2018 -19. On Consolidated basis, Company's EBITDA has been ₹ 20,048.60 lakhs as compared to ₹ 18,853.22 lakhs for FY 2018-19. Consolidated PAT has been ₹ 13,852.47 lakhs as against ₹ 12,126.95 lakhs for FY 2018-19.

DIVIDEND

Your Company has paid dividend of 110% by way of two Interim Dividends of ₹ 5/- (@ 50%) per equity share (of ₹ 10/- each) and ₹ 6/- (@ 60%) per equity share (of ₹ 10/- each) aggregating to ₹ 13.36 Crore. In view of the interim dividends declared above, the Board of Directors have not recommended any final dividend to the shareholders of the Company for the financial year 2019-20.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Listing Regulations, the top 500 listed companies shall formulate a dividend distribution policy. Your company has been classified as Top 500 Company as per market capitalization dated March 31, 2020 Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/ or retaining profits earned by the company. The policy is available on the website of the Company and the web link thereto is <http://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf>



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TRANSFER TO RESERVES

Your Company has transferred ₹ 1389.85 Lakhs to General Reserves for FY 2019-20. (Previous Year ₹ 1305.27 Lakhs).

SHARE CAPITAL

As on March 31, 2020, the Authorized Share capital of the Company was ₹ 23,00,00,000 comprising of 2,06,00,000 equity shares of ₹ 10/- each, 20,00,000 Optionally Convertible Preference Shares of ₹ 10/- each and 40,000 Redeemable Non-cumulative Preference Shares of ₹ 100/- each.

During the year issued capital of the Company increased to ₹ 14,36,63,050/- pursuant to scheme of Merger with an allotment of additional shares on May 04, 2019

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 issued Equity shares on June 07, 2019. Your Company has also received Listing approval for optionally convertible preference shares on February 12, 2020 and trading approval for the same was received on August 04, 2020. Apart from the above, there was no change in the share capital of the Company.

Your Company has received In-Principle approval for Migration from SME Board to Main Board of BSE Limited on August 27, 2020.

CORPORATE SOCIAL RESPONSIBILITY

Your company through, various NGOs has been doing work in following sectors:

- Education and Skill Development
- Health Care
- Environment Sustainability
- Social Welfare
- Women Empowerment

The detailed policy on Corporate Social Responsibility is available on the website of the Company on the weblink. <http://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf>

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

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.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in annexure and forms part of this report. However, as per the provisions of the section 136(1) of the Act, this Report is sent to the shareholders excluding the said information. Any shareholder interested in obtaining such particulars 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

There are no material changes and commitment 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.

MEETINGS OF THE BOARD

During the year 5 (Five) meetings of Board of Directors were held and the maximum interval between any two consecutive Board Meetings did not exceed 120 days. 1 (One) meeting of Independent Director was held.



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Details of Board meetings held during the year Financial Years 2019-20 and attendance of the Directors ;

Name of the Directors	Category	I	II	III	IV	V
		10-Apr-19	27-May-19	20-Aug-19	08-Nov-19	28-Feb-20
		Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
Shri Hemchand L. Gala [@]	Chairman and Managing Director	√	NA	NA	NA	NA
Shri Arvind K. Chheda [#]	Managing Director	√	-	√	-	√
Shri Vishnu J. Sawant	Whole time Director	-	√	√	√	√
Shri Mahek M. Chheda	Whole time Director	√	√	√	√	√
Shri Mahesh M. Savadia	Whole time Director	√	√	√	√	√
Shri Bijal D. Modi ^{&}	Whole time Director	NA	√	-	√	-
Shri Dineshkumar S. Shah ^{&}	Whole time Director	NA	√	√	√	√
Shri Dattatray S. Galpalli	Non-Executive Director	√	√	√	√	√
Shri Tukaram P. Surve [*]	Non-Executive Director	NA	√	√	NA	NA
Shri Dhirajlal D. Gala	Independent Director	-	-	√	√	√
Smt. Jeenal K. Savla	Independent Director	√	√	√	√	√
Shri Velji K. Gogri	Chairman-Independent Director	√	√	√	√	-
Shri Mulesh M. Savla [§]	Independent Director	NA	√	√	√	-

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

[#] Shri Arvind K. Chheda has been re-designated as the Managing Director w.e.f. April 20, 2019.

[&] Shri Bijal D. Modi and Shri Dinesh S. Shah has been appointed as Whole Time Director w.e.f. April 20, 2019.

^{*} Shri Tukaram P. Surve had been appointed as Non-Executive Director w.e.f. April 20, 2019 but ceased to be Director from October 15, 2019 due to demise.

[§] Shri Mulesh M. Savla was appointed as an Independent Director w.e.f. April 20, 2019.

COMMITTEES OF THE BOARD

During the year, your Directors have constituted / 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 are as under.

1) Audit Committee

The Audit Committee has been constituted as per 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:

Names	Category	I	II	III
		27-May-19	20-Aug-19	08-Nov-19
		Mumbai	Mumbai	Mumbai
Smt. Jeenal K. Savla (Chairperson)	Independent Director	√	√	√
Shri Dhirajlal D. Gala (Member)	Independent Director	-	√	√
Shri Arvind K. Chheda (Member)	Managing Director	-	√	-
Shri Mulesh M. Savla (Member)	Independent Director	√	√	√
Shri Bijal D. Modi (Member)	Wholetime Director	√	-	√
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 of Section 178 of the Companies Act, 2013. Comprising of 3 (Three) Independent Directors. The Chairman of the Committee is an Independent Director.

Composition of Nomination and Remuneration Committee and details of Meetings held during the year are as under:

Name	Category	I	II	III
		10-Apr-19	27-May-19	20-Aug-19
		Mumbai	Mumbai	Mumbai
Shri Mulesh M. Savla (Chairman w.e.f. April 20, 2019)	Chairman-Independent Director	NA	√	√
Shri Velji K. Gogri (Chairman upto April 10, 2019)	Member-Independent Director	√	√	√
Smt Jeenal K. Savla	Member-Independent Director	√	√	√
Shri Dhirajlal D. Gala (Member upto April 19, 2019)	Member-Independent Director	-	NA	NA

Terms of Reference

- 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.

3) Stakeholders' Relationship Committee:

The Committee has been formed pursuant to provisions of Section 178 of the Companies Act 2013.

Composition of Stakeholder Relationship Committee

Names	Designation	Category
Shri Velji K. Gogri	Chairman	Independent Director
Shri Dhirajlal D. Gala	Member	Independent Director
Shri Jeenal K. Savla	Member	Independent Director

Terms of Reference:

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.



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4) Corporate Social Responsibility 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 Independent Director.

Composition of Corporate Social Responsibility Committee and details of Meeting during the year are as under:

Names	Designation	Category	I
			27-May-19
			Mumbai
Shri Velji K. Gogri	Chairman	Independent Director	√
Shri Bijal D. Modi	Member	Whole-time Director	√
Shri Arvind K. Chheda	Member	Managing Director	-

Terms of Reference:

- 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.

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.

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.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company is not required to transfer any unpaid or unclaimed dividends to the IEPF.

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 on an arm's length basis and did not attract 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. The disclosure as required by the Accounting Standard (AS 18) have been made in the notes to the Financial Statements.

CORPORATE GOVERNANCE

Since the Company is listed on SME platform of BSE Limited on March 31, 2020, the provisions of regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 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

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. Further, pursuant to Section 134(3)(a) of the Act, a copy of Annual Return for the year ended March 31, 2020 will be hosted on the website of the Company at www.valiantorganics.com

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from the public was outstanding as on the date of Balance Sheet.

The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements of the Company.

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

SUBSIDIARIES

The Company has 2 (Two) subsidiary namely, Valiant Speciality Chemical Limited, Wholly owned subsidiary incorporated on December 20, 2019 and Dhanvallabh Ventures LLP.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013 have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

Further a statement containing salient features of the financial statement of our Subsidiaries in the prescribed format in "Form AOC-1" is included in the Report as "Annexure - D" and forms an integral part of this Report. As required under Section 134 of the Companies Act, 2013, the said form also highlights performance of the subsidiaries.

The Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 10% of the consolidated income of the Company during the previous Financial year. A policy on material subsidiaries had been formulated and is available on the website of the company and the web link thereto is <http://www.valiantorganics.com/assets/investors/Materiality%20Policy.pdf>

Your Company does not have any Associate Company pursuant to the provisions of the Companies Act, 2013 and has not entered into any joint venture agreement during the year under review.

DIRECTORS / KEY MANAGERIAL PERSONNEL(KMP)

The Composition of the Board is in conformity with the provisions of section 149 of the Companies Act, 2013. The Board comprises of 11 (Eleven) Directors out of which 6 (Six) are Executive Directors, 1 (One) Non- Executive Director and 4 (Four) are Independent Directors. The Chairman of the Board is an Independent Director:

Shri Mahesh M Savadia, (DIN: 00128389) and Shri. Vishnu J. Sawant, (DIN: 03477593), Whole time Directors of the Company shall retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and being eligible, offers themselves for re-appointment. Present term of Shri Mahek Chheda (DIN: 06763870) Whole-time Director of the Company expired on July 05, 2020 and Your Directors recommed for your approval by way of ordinary resolution at the ensuing General Meeting.

Shri Hemchand L. Gala resigned from the position of Chairman and Managing Director w.e.f April 19, 2019 and Shri Tukaram P. Surve (DIN : 07121918), Non-Executive Director of the Company ceased to be Director w.e.f October 15, 2019 due to demise.

Shri Bijal D. Modi and Shri Dineshkumar S. Shah were appointed as Wholetime Director w.e.f from April 20, 2019 and Shri. Mulesh M. Savla was appointed as Independent Director w.e.f April 20, 2019.

INDEPENDENT DIRECTORS

All Independent Directors have given declarations in the prescribed format that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE

The human resources have always been of supreme importance at Valiant as they are the growth-drivers and the mainstay of the organization. The prominence on the people of the organization stems from the belief that they are the authors of the Company's success story. Integral to the Company's approach, human resource development is its distinctive strategy. The strategy ensures developing and nurturing a team of competent, passionate and inspiring leaders who would turn to be the scribes of a promising future's slate. Thus, building a future-ready organisation through the true to type learning, innovation and world-class execution.

The Company believes that the alignment of all employees to a shared vision and purpose is crucial for succeeding in the marketplace. Further, it recognises the mutuality of interests with key stakeholders and is committed to building harmonious employee relations. Valiant is confident that its 607 employees will relentlessly strive to meet the growth agenda, deliver world-class performance and innovate newer things. They will thus uphold human dignity, foster team spirit and discharge their role as 'trustees' of all stakeholders with true faith and allegiance.



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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.

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 and placed on the website of the Company and the web link thereto <http://www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf>

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.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

STATUTORY AUDITORS

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.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimer made by the Auditor in their report. The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013. 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

Your Directors had, on the recommendation of the Audit Committee, re-appointed Smt. Ketki Damji Visarya (Fellowship No. 16028), Cost Accountants as the Cost Auditors to audit the cost records of the Company for the FY 2020-2021.

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 15th Annual General Meeting.

SECRETARIAL AUDITOR & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed CS Sunil M. Dedhia (COP No. 2031), Proprietor of M/S Sunil M. Dedhia & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company. A secretarial audit report in Form No.MR-3 given by the secretarial auditor has been provided in an **Annexure - 'B'**.

As regards qualifications and remarks in the Secretarial Auditor's Report, it is clarified that listing and trading of equity shares and OCPs mentioned therein was delayed due to certain technical issues faced in respect of conditions prescribed under applicable SEBI circulars referred to which were resolved after appropriate submissions and follow up with BSE Limited and SEBI. As regards compliance of IEPF Rules in respect of filing and uploading of unpaid/unclaimed dividend as on March 31, 2019, the same could not be done due to technical issues being faced and necessary steps are being initiated to comply including for details of Nodal Officer. As regards pending filing of board resolution passed for appointment of Internal Auditor, necessary steps are being taken to file application for condonation of delay and comply. As regards observations in respect of Managing Director continuing as Chief Financial Officer (CFO) from April 20, 2019, the Company management believed based on certain precedents available that it would be in compliance with the law. However, the Company has appointed a separate person as Chief Financial Officer (CFO) effective from August 29, 2020.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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.

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.



The company has installed Multiple Effect Evaporators at its plants.

b) The capital investment on energy conservation equipment's

The Company has invested ₹ 15 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: ₹ 8,500 Lakhs
(Previous Year: ₹ 7,394 Lakhs)

Foreign Exchange Outgo: ₹ 5,105 Lakhs
(Previous Year: ₹ 5,871 Lakhs)

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.

REGISTRAR AND TRANSFER AGENT

The Board vide its circular Resolution dated January 09, 2020 has appointed M/s. Link Intime India Private Limited as the Registrar and Share Transfer Agent (RTA) in place of M/s. Bigshare Services Private Limited.

The Company's Registrar & Share Transfer Agents, M/s. Link Intime India Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints.

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, 2020, 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 dedicated services rendered by the employees of the Company at all levels. Your Directors would also like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, financial institutions, Customers, employees, suppliers, other business associates and various other stakeholders.

For and on Behalf of Board

Sd/-
VELJI K. GOGRI
Chairman

Place: Mumbai
Date: August 28, 2020

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.



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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 http://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf
2	Composition of CSR committee	Shri Velji K. Gogri (Chairman) Shri Bijal D. Modi (Executive Director) Shri Arvind K. Chheda (Managing Director)
3	Average net profit of the Company for last three financial years	₹ 71.33 Crores
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 1.43 Crores
5	Details of CSR spent during the financial year	
	Total amount to be spent for the financial year	₹ 1.43 Crores
	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	Held in education of needy	Mumbai & Gujarat	41.22	41.22	41.22	Indirect
2.	Health Care	Hospital and Medical Colleges	Mumbai, Thane & Gujarat	53.33	53.33	53.33	Indirect
3.	Environmental Sustainability	Environmental Welfare	Gujarat	8.62	8.62	8.62	Indirect
4.	Social Welfare	To be held in areas of relief of poor, differently abled people and old aged people	Mumbai, Thane & Gujarat	31.26	31.26	31.26	Indirect
5.	Women Empowerment	Promoting Women welfare	Kutch (Gujarat)	31.36	31.36	31.36	Indirect
Total				165.81	165.81	165.81	Indirect

* Details of implementing Agency:

1. Aarti Foundation, 2. Tata Memorial Centre, 3. Matru Vanda Bidda (Kutch), 4. Dadheda Gram Panchayat, 4. Limbhet Gram Panchayat, 5. Ranipura Gram Panchayat, 6. Talodara Gram Panchayat, 7. Shree Kailash Aashram School Vankhuta Village, 8. Mortalav Primary School & 9. Fulwadi Gram Panchayat.

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/-
VELJI K. GOGRI
Chairman & Independent Director

Sd/-
ARVIND K. CHHEDA
Managing Director

Place: Mumbai
Date: August 28, 2020



Annexure 'B'

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

(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, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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 which were not applicable;
- (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;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 which were not applicable to the Company during Audit Period;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during Audit Period; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable to the Company during Audit Period.



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I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited;

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, Standards etc. mentioned above, except that:

- (i) steps for listing of 62,84,868 of ₹ 10/- each and 18,33,087 Optionally Convertible Preference Shares of ₹ 10/- each (OCPs) issued by the Company on May 4, 2019 pursuant to Scheme of Merger by absorption of Amarjyot Chemical Limited with the Company were completed and trading commenced in the equity shares and OCPs on SME platform of BSE Limited (BSE) only on July 24, 2019 and August 6, 2020 which were beyond the period of sixty days of receipt of the order of the Hon'ble National Company Law Tribunal sanctioning the said Scheme on April 4, 2019 required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular No. CFD/DIL3/CIR/2018/2 dated June 3, 2018;
- (ii) Form IEPF - 2 being Statements for unclaimed and unpaid dividend amounts ascertained as on March 31, 2019 due to be filed within sixty days after the holding of Annual General Meeting has not been filed and prescribed particulars have not been uploaded on Company's website and website of IEPF Authority under the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016;
- (iii) the prescribed details of the Nodal Officer (s) have not been communicated to the Investor Education and Protection Fund Authority in Form No. IEPF - 2 within prescribed time and not displayed the name of Nodal Officer and his e-mail ID on its website;
- (iv) board resolution passed for appointment of Internal Auditor on May 27, 2019 is pending to be filed with MCA pending filing of applications for condonation of delay; and
- (v) Wholetime Director re-designated and appointed as the Managing Director of the Company effective from April 20, 2019 has been continued as the Chief Financial Officer of the Company which in, my opinion, is not in due compliance of Section 203 of the Act.

I further report that based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

- (a) The Explosive Act 1884 and Rules made thereunder;
- (b) Indian Boiler Act, 1923 & The Indian Boilers Regulations 1950;
- (c) Air (Prevention and Control of Pollution) Act 1981;
- (d) Water(Prevention and Control of Pollution) Act 1974;
- (e) The Noise (Regulation and Control) Rules 2000;
- (f) Environment Protection Act, 1986 and other environmental laws;
- (g) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008; and
- (h) Public Liability Insurance Act 1991.

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 and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the Audit Period under review, there was 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 Annexure which forms an integral part of this report.

CS Sunil M. Dedhia

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

Place: Mumbai

Date: September 2, 2020

FCS No: 3483 C.P. No. 2031

UDIN: F003483B000651031



Annexure

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.

- (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.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of 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.
- (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: September 2, 2020

CS Sunil M. Dedhia
Proprietor, **Sunil M. Dedhia & Co.**
FCS No: 3483 C.P. No. 2031
UDIN: F003483B000651031



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Annexure 'C'

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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 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. Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai, 400083 Tel No- 022 - 49816000 Fax No- 022 - 49186060 Website: www.linkintime.co.in Email id: rnt.helpdesk@linkintime.co.in

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	Dhanvallah Venture LLP 71, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), 400080	AAA-9228	Subsidiary	65	2(87)
2	Valiant Speciality Chemical Limited Plot No 2906, 752-755 GIDC, Vapi Sarigam, Valsad, Gujarat 396155	U24230GJ2019PLC111566	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP 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, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Promoters									
(1) Indian									
a) Individual/ HUF	2470236	0	2470236	42.12	3927859	0	3927859	32.33	-9.79
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	1204587	0	1204587	9.91	+9.91
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	225000	0	225000	3.84	670962	0	670962	5.52	+1.68
Sub-total (A) (1):-	2695236	0	2695236	45.96	5803408	0	5803408	47.77	+1.81
(2) Foreign									
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
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	2695236	0	2695236	45.96	5803408	0	5803408	47.77	+1.81
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	42600	0	42600	0.73	39150	0	39150	0.32	-0.41
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) FIIs	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
i) Other (Specify Alternate Investment Fund)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	42600	0	42600	0.73	39150	0	39150	0.32	-0.41
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	124803	0	124803	2.13	88281	0	88281	0.72	-1.41
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	584019	0	584019	9.96	747246	5540	752786	6.20	-3.76
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2299161	86122	2385283	40.67	5273935	159233	5433168	44.72	+4.05



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Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
(i) Non Resident Indians Non Repatriable	5250	0	5250	0.09	8125	0	8125	0.07	-0.02
(ii) Non Resident Repatriable	7500	0	7500	0.13	6900	0	6900	0.06	-0.07
(iii) Clearing Member	19659	0	19659	0.34	17400	0	17400	0.14	-0.20
(iv) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(v) Hindu Undivided Family	-	-	-	0.00	-	-	-	0.00	-
Sub-total (B)(2):-	3040392	86122	3126514	53.31	6141887	164773	6306660	51.91	-1.40
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3082992	86122	3169114	54.04	6181037	164773	6345810	52.23	-1.81
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	5778228	86122	5864350	100.00	11984445	164773	12149218	100.00	0.00

Note: Pursuant to Merger of Amarjyot Chemical Limited with the Company, 6284868 shares were allotted to the shareholders on May 04, 2019.

ii) Shareholding of Promoters

SR. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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	709129	12.09	0.00	707525	5.82	0	-6.27
2.	Arti R. Gogri	291721	4.97	0.00	917239	7.55	0	+2.58
3.	Arvind K. Chheda	427738	7.29	0.00	427738	3.52	0	-3.77
4.	Jaya C. Gogri	320336	5.46	0.00	984198	8.10	0	+2.64
5.	Vicky H. Gala	286930	4.89	0.00	286930	2.36	0	-2.53
6.	Mirik R. Gogri	252967	4.31	0.00	252967	2.08	0	-2.23
7.	Dhanvanti H. Gala	74970	1.28	0.00	74970	0.62	0	-0.66
8.	Hemchand L. Gala	74928	1.28	0.00	74928	0.62	0	-0.66
9.	Pooja R. Gogri	28667	0.49	0.00	28667	0.24	0	-0.25
10.	Chandrakant V. Gogri	2550	0.04	0.00	47397	0.40	0	+0.36
11.	Rashesh C. Gogri	300	0.01	0.00	300	0.01	0	0.00
12.	Hetal Gogri Gala	0	0	0.00	125000	1.03	0	+1.03
13.	Tulip Family Trust	225000	3.84	0.00	306000	2.52	0	-1.32
14.	Ujjwal Business Trust	0	0	0.00	300000	2.47	0	+2.47
15.	Paridhi Business Trust	0	0	0.00	64962	0.53	0	+0.53
16.	Dilesh Roadlines Pvt Ltd	0	0	0.00	1074786	8.85	0	+8.85
17.	DRL Cargo Carriers Pvt Ltd	0	0	0.00	50976	0.42	0	+0.42
18.	Alchemie Financial Services Limited	0	0	0.00	22164	0.18	0	+0.18
19.	Alchemie Finserv Pvt Ltd	0	0	0.00	14085	0.12	0	+0.12
20.	Aakansha Pharmachem LLP	0	0	0.00	2070	0.02	0	+0.02
21.	Aarti Corporate Services Limited	0	0	0.00	40506	0.33	0	+0.33
Total		2695236	45.96	0.00	5803408	47.79	0	+1.84

iii) 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	709129	12.09	04.05.2019	+298396	Merger Allotment	1007525	8.29
				04.07.2019	-300000	Gift	707525	5.82
2	Arti R. Gogri	291721	4.97	04.05.2019	+706518	Merger Allotment	998239	8.22
				04.07.2019	-81000	Gift	917239	7.55
3	Arvind K. Chheda	427738	7.29	-	-	Nil movement during the year	427738	3.52
4	Jaya C. Gogri	320336	5.46	03.05.2019	-72	Gift	320264	2.64
				04.05.2019	+881568	Merger Allotment	1201832	9.89
				07.06.2019	-36	Gift	1201796	9.89
				07.06.2019	-2400	Sale	1199396	9.87
				10.06.2019	-4950	Sale	1194446	9.83
				11.06.2019	-4950	Sale	1189496	9.79
				12.06.2019	-1050	Sale	1188446	9.78
				13.06.2019	-36	Sale	1188410	9.78
				14.06.2019	-4200	Sale	1184210	9.74
				18.06.2019	-4200	Sale	1180010	9.71
				01.07.2019	-4050	Gift	1175960	9.67
				04.07.2019	-189962	Sale	985998	8.12
				16.07.2019	-1500	Sale	984498	8.10
				17.07.2019	-150	Sale	984348	8.10
18.07.2019	-150	Gift	984198	8.10				
5	Vicky H. Gala	286930	4.89	-	-	Nil movement during the year	286930	2.36
6	Mirik R. Gogri	252967	4.42	-	-	Nil movement during the year	252967	2.08
7	Dhanvanti H. Gala	74970	1.28	-	-	Nil movement during the year	74970	0.62
8	Hemchand L. Gala	74928	1.28	-	-	Nil movement during the year	74928	0.62
9	Pooja R. Gogri	28667	0.49	-	-	Nil movement during the year	28667	0.24
10	Chandrakant V. Gogri	2550	0.04	04.05.2019	+44847	Merger Allotment	47397	0.40
11	Rashesh C. Gogri	300	0.01	-	-	Nil movement during the year	300	0.01
12	Hetal Gogri Gala	0	0.00	04.07.2019	+125000	Gift Received	125000	1.03
13	Tulip Family Trust	225000	3.84	29.03.2019	+81000	Gift Received	306000	2.52
14	Ujjwal Business Trust	0	0.00	-	+300000	Gift Received	300000	2.47
15	Paridhi Business Trust	0	0.00	-	+64962	Gift Received	64962	0.53
16	Dilesh Roadlines Pvt Ltd	0	0.00	-	+1074786	Merger Allotment	1074786	8.85
17	DRL Cargo Carriers Pvt Ltd	0	0.00	-	+50976	Merger Allotment	50976	0.42
18	Alchemie Financial Services Limited	0	0.00	-	+22164	Merger Allotment	22164	0.18
19	Alchemie Finserv Pvt Ltd	0	0.00	-	+14085	Merger Allotment	14085	0.12
20	Aakansha Pharmachem LLP	0	0.00	-	+2070	Merger Allotment	2070	0.02
21	Aarti Corporate Services Limited	0	0.00	-	+40506	Merger Allotment	40506	0.33



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

Sr. 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.	Tarla parimal Desai	156198	2.66	04.05.2019	+683879	Allotment in Merger	840077	6.91
				12.06.2019	-3000	Sale	837077	6.89
				06.08.2019	+750	Buy	837827	6.90
				07.02.2020	-4271	Sale	833556	6.86
2.	Bhanumati Mohanlal Savla	156198	2.66	26.04.2019	-300	Sale	450830	3.71
				10.05.2019	-300	Sale	450530	3.71
				24.05.2019	-150	Sale	450380	3.70
				31.05.2019	-150	Sale	450230	3.70
3.	Bhavesh B Mehta	-	-	04.05.2020	+369045	Allotment in Merger	369045	3.03
4.	Meena Manoj Chheda	291226	4.67	-	-	Nil Movement during the year	291226	2.40
5.	Harsha Mahesh Savadia	236367	4.03	-	-	Nil Movement during the year	236367	4.03
6.	Sumeet Mohanlal Savla.	219653	3.75	30.09.2019	-14702	Sale	204951	1.69
				15.11.2019	-18010	Sale	186491	1.54
				29.11.2019	+46514	Buy	233005	1.92
7.	Nikhil Parimal Desai#	600	0.01	04.05.2019	+234305	Allotment in Merger	234905	1.93
				07.02.2020	-600	Sale	234305	1.92
8.	Nipun Harihar Bhatt#	44483	0.75	04.05.2020	+152316	Allotment in Merger	196799	1.62
				29.07.2019	-300	Sale	196499	1.62
9.	Bhavesh Dhirajlal Sheth#	600	0.01	04.05.2019	+156222	Allotment in Merger	156822	1.29
				13.11.2019	-150	Sale	156672	1.29
				16.01.2020	-600	Sale	156072	1.28
				22.01.2020	-600	Sale	155472	1.28
				30.01.2020	-600	Sale	154872	1.27
				14.02.2020	-600	Sale	154272	1.27
10.	Parindu Bansilal Gogri	0	0.00	04.05.2019	+152399	Allotment in Merger	152399	1.25
				28.02.2020	-150	Sale	154122	1.27
11.	Ketan B. Shah*	23250	0.40	24.05.2019	+450	Buy	23700	0.20
				31.05.2019	+150	Buy	23850	0.20
				23.08.2019	+300	Buy	24150	0.20
				22.11.2019	+900	Buy	25050	0.21
				28.02.2020	+150	Buy	25200	0.21
12.	Reliance Capital Trustee Co Ltd*	27450	0.47	10.05.2019	-900	Sale	26550	0.22
				17.05.2019	-150	Sale	26400	0.22
				24.05.2019	-900	sale	25500	0.21

* Ceased to be in the top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01-04-2019.

Not in the list of top 10 shareholders as on 01-04-2019. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2020.

v) Shareholding of Directors and Key Managerial Personnel (Equity Shares)

Sr. 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 Kanji Chheda	427738	7.29	-	-	Nil movement during the year	427738	3.52
2.	Mahek Manoj Chheda	33600	0.57	-	-	Nil movement during the year	33600	0.27
3.	Mahesh M. Savadia	270476	4.61	-	-	Nil movement during the year	270476	2.23
4.	Vishnu J. Sawant	0	0	-	-	-	0	0
5.	Dineshkumar S. Shah	0	0	04.05.2019	+47160	Merger Allotment	47160	0.38



Sr. 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
6	Bijal D. Modi	0	0	04.05.2019 12.02.2020 14.02.2020 18.02.2020 20.02.2020 04.03.2020 05.03.2020	+293094 -300 -450 -300 -600 -300 -300	Merger Allotment Sale Sale Sale Sale Sale Sale	290844	2.39
7	Dattatray S. Galpalli	1950	0.03	-	-	Nil movement during the year	1950	0.03
8	Dhirajlal D. Gala	0	0	-	-	-	0	0
9	Jeenal K. Savla	0	0	-	-	-	0	0
10	Velji K. Gogri	0	0	31.07.2019 01.08.2019	+150 +4500	Purchase Purchase	4650	0.04
12	Mullesh M. Savla	0	0	-	-	0	0	0.00
13	Vyoma Vyas	0	0	-	-	-	0	0
	Total	733764	12.51	-	-	-	1076418	8.86

VI. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2874.57	1,886.79	-	4761.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.83	-	-	6.83
Total (i+ii+iii)	2881.39	1886.79	-	4768.19
Change in Indebtedness during the financial year				
Addition	6,433.70	-	-	6433.70
Reduction	-	1,751.11	-	1,751.11
Net Change	6433.70	1751.11	-	4682.59
Indebtedness at the end of the financial year				
i) Principal Amount	9273.65	135.68	-	9409.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	41.44	-	-	41.44
Total (i+ii+iii)	9315.09	135.68	-	9450.78

VII. 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	Mahesh M. Savadia	Total Amount
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.78	25.00	15.30	9.96	10.80	6.48	6.78	77.10
	(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..	-	90.00	-	-	-	-	-	90.00
5.	Others, please specify BONUS	15.84	12.19	7.18	1.74	9.20	5.63	4.02	55.80
	Total (A)	18.62	127.19	22.48	11.70	20.00	12.11	10.80	222.90
	Ceiling as per the Act								10% of net profits of the Company



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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	17500	30000	28400	75900
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	17500	30000	28400	75900
2	Other Non-Executive Directors	Tukaram P Surve	Mulesh M Savla	Dattatray S Gallpalli	
	Fee for attending board / committee meetings	10000	17500	20000	47500
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	10000	17500	20000	47500
Overall Ceiling as per the Act		1% of net profits of the Company			

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			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.00	-	6.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	6.00	-	6.00

Note: Mr. Arvind K. Chheda, Managing Director is also appointed as Chief Financial Officer (CFO) w. e. f. July 01, 2016 pursuant to Section 203 of the Companies Act 2013. His remuneration as an Executive Director and CFO is provided in this Section under part A.

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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	01.04.2019-31.03.2020	Rupees	27,81,61,693	Nil	27,84,71,693	3,10,000	Nil	2,20,88,078	2,20,76,790	2,17,66,790	0.00	65
2.	Valiant Speciality Chemical Limited*	20.12.2019-31.03.2020	Rupees	25,00,000	Nil	25,00,000	Nil	Nil	Nil	Nil	Nil	0.00	100

*Note: Valiant Speciality Chemical Limited was incorporated on December 20, 2019.



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Independent Auditor's 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, 2020, 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 2020 and its profit and its cash flows for the year ended on that date.

BASIS FOR 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.

Key Audit Matters	Auditor's Response
<p>Accuracy, Completeness, and disclosure with reference to AS-10 of Property, Plant and Equipment (including Capital Work in Progress):</p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on 31.3.2020 of ₹ 38,165.04 Lakhs includes ₹ 13,830.81 Lakhs capitalised/transferred from capital work in progress during the year.</p> <p>Capital expenditure involves management technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company.</p>	<p>Our audit procedures, amongst others, include the following –</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. ▪ Obtaining an understanding of management's identification of the costs that can be capitalised and have undertaken substantive audit procedures to verify the capitalisation of these costs. ▪ We assessed the Company's process regarding maintenance of records, valuation and accounting of transactions relating to Property, Plant and Equipment. ▪ We have reviewed management's judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment and checked arithmetical accuracy of related depreciation. ▪ We have verified the capitalisation of borrowings costs incurred on qualifying asset in accordance with the Accounting Standard 16: Borrowing Costs. ▪ Ensuring adequacy of disclosures in the standalone financial statements.



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 comprises the 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE 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 conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.



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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 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 that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Gokhale & Sathe**
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 20123215AAAAAQ7806

Place: Mumbai
Date: 8th May 2020

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 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) The Company has maintained proper records showing full 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 and no material discrepancies were noted on such physical verification. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets.
 - 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 for Plots no. 750/751/2701/2703/2611, Sarigam, GIDC, Sarigam, Valsad, Gujarat 396155 purchased during the year and the below mentioned immovable properties, the title of which is in the name of erstwhile entities merged with the Company. According to the explanation obtained from management, in view of merger through court order, leasehold rights are deemed to be transferred to the Company. The procedures for transferring the titles of these immovable properties in the name of the Company are in progress.

Sr. No.	Description/Location
1	Plot No. 286/2 & A-1 322/11 at Vapi GIDC
2	Plot no A1/210, 231,232,233,235,236 at Vatva Ahmedabad GIDC

- ii. The stock of inventory has been physically verified during the year by the Management at reasonable intervals. 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 and have been properly dealt with the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted loans to any parties /entities covered in the register maintained under section 189 of the Companies Act, 2013.

- iv. In our opinion and according to the information and explanation 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 is regular in depositing undisputed statutory dues including the Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Customs Duty, Cess and any other statutory dues applicable, to appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 - b) There were no arrears 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, 2020 on account of dispute.
- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loans taken from financial institutions or banks.
- ix. In our opinion and according to the information and explanation given to us, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. 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



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- material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company, the provisions of para 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. However, the Company has allotted equity shares, optionally convertible
- preferential shares (OCPS) and redeemable non-cumulative preference shares (RNPS) pursuant to the scheme of amalgamation to the shareholders of amalgamating company.
- xv. According to the information and explanation given to us, the Company has not entered into non-cash transactions with 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 Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 20123215AAAAAQ7806
Place: Mumbai
Date: 8th May 2020

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(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 with reference to financial statements 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 of March 31, 2020 in conjunction with our audit of the Standalone Financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management 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 (ICAI). 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 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 Act.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gokhale & Sathe**
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 20123215AAAAAQ7806
Place: Mumbai
Date: 8th May 2020

Standalone Balance Sheet

as at 31st March, 2020

PARTICULARS	Note No.	(₹ In Lakhs)	
		As At 31 st March, 2020	As At 31 st March, 2019
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital	2	1,436.63	586.44
(b) Reserves and Surplus	3	35,716.42	24,500.32
Sub - Total (A)		37,153.05	25,086.76
(2) Share Capital Pending Allotment	4	-	850.20
Sub - Total (B)		-	850.20
(3) Non-Current Liabilities			
(a) Long Term Borrowings	5	8,069.73	4,019.29
(b) Deferred Tax Liabilities (Net)	6	1,294.00	1,250.15
(c) Long Term Provisions	7	37.48	258.87
Sub - Total (C)		9,401.21	5,528.31
(4) Current Liabilities			
(a) Short Term Borrowings	8	2,214.41	742.07
(b) Trade Payables	9		
- Total Outstanding Dues of Micro enterprises and Small Enterprises; and		-	-
- Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		8,397.91	6,976.42
(c) Other Current Liabilities	10	3,610.61	789.01
(d) Short-Term Provisions	11	313.02	227.81
Sub - Total (D)		14,535.96	8,735.30
Total (A+B+C+D)		61,090.21	40,200.56
II. ASSETS			
(1) Non-Current Assets			
(a) Property Plant and Equipment	12		
(i) Tangible Assets		25,252.86	12,344.44
(ii) Intangible Assets		284.38	659.89
(iii) Capital Work-in-Progress		12,912.18	6,556.06
(b) Non Current Investments	13	1,502.32	903.40
(c) Long-Term Loans and Advances	14	2,108.19	1,225.22
Sub - Total (E)		42,059.93	21,689.00
(2) Current Assets			
(a) Current Investments	15	91.93	1,046.84
(b) Inventories	16	4,092.74	3,891.55
(c) Trade Receivables	17	11,079.84	12,090.17
(d) Cash and Cash Equivalents	18	1,057.51	305.55
(e) Short-Term Loans and Advances	19	2,708.26	1,177.44
Sub - Total (F)		19,030.29	18,511.56
Total (E+F)		61,090.22	40,200.56
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-36		

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 and on behalf of the Board

Tejas Parikh
Partner
M.No.123215

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Place : Mumbai
Date :- 8th May, 2020

Vyoma Vyas
(Company Secretary)



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Standalone Statement of Profit and Loss

For the year ended 31st March 2020

		(₹ In Lakhs)		
Sr. No	Particulars	Note No.	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
I	Revenue from operations	20	58,357.66	60,597.62
II	Other Income	21	2,056.25	643.05
III	Total Revenue (I +II)		60,413.91	61,240.67
IV	Expenses:			
	Cost of material consumed	22	31,014.70	34,159.03
	Purchase of Stock-in-Trade	23	390.13	1,142.10
	Changes in inventories of finished goods, WIP and Stock-in-Trade	24	324.92	(330.83)
	Employee Benefit Expenses	25	2,083.33	1,799.74
	Finance Cost	26	100.83	148.97
	Depreciation and Amortization Expense	12	1,289.73	1,179.65
	Other Expenses	27	7,299.31	6,056.57
	Total Expenses (IV)		42,502.95	44,155.23
V	Profit before exceptional and extraordinary items and tax (III - IV)		17,910.96	17,085.43
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		17,910.96	17,085.43
VIII	Extraordinary Items		-	-
IX	Profit before tax (III - IV)		17,910.96	17,085.43
X	Tax expense:			
	(1) Current tax		4,000.00	4,800.00
	(2) Short / (Excess) provision for tax of earlier year(s)		14.64	18.49
	(3) Deferred tax		43.85	140.00
XI	Profit for the year before the impact of the scheme		13,852.47	12,126.95
XII	Impact of the scheme of merger relating to FY.2017-18 (Refer Note No-33)		-	1,196.59
XIII	Profit for the year After the impact of the scheme of merger		13,852.47	13,323.54
XIV	Earnings Per Share - Basic and Diluted	29		
	Before the impact of the scheme of merger			
	(1) Basic		114.02	99.82
	(2) Diluted		99.07	86.73
	After the impact of the scheme of merger			
	(1) Basic		114.02	109.67
	(2) Diluted		99.07	95.29
	Significant Accounting Policies			
	See accompanying Notes to the Financial Statements	1-36		

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 and on behalf of the Board

Tejas Parikh
 Partner
 M.No.123215

Mr. Arvind Chheda
 (Managing Director)
 DIN: 00299741

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

Place : Mumbai
 Date :- 8th May, 2020

Vyoma Vyas
 (Company Secretary)

Standalone Cash Flow Statement

For the year ended 31st March 2020

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
(A) Cash Flow from Operating Activities		
Net Profit Before Tax as per Statement of Profit and Loss	17,910.96	17,085.43
Adjusted For:		
Interest Paid	100.83	148.97
(Profit) / Loss on Sale of Asset	1.00	120.10
Loss on Investment in Subsidiary	-	13.19
Depreciation and Amortization Expense	1,289.73	1,179.65
Interest Income	(22.75)	(45.54)
Gains on Sale / Redemption of Shares / Mutual Funds / Other Income	(1,598.87)	(385.21)
Profit on Investment in Subsidiary	(141.48)	-
Dividend Income	(21.27)	(14.35)
Operating Profit Before Working Capital Changes	17,518.15	18,102.25
Adjustments for:		
Trade & Other Receivables	1,010.33	(4,184.81)
Trade Payable & Other Provisions	3,338.91	(913.46)
Inventories	(201.19)	27.40
Loans and advances given	(2,413.79)	(578.61)
Cash Generated from Operation	19,252.41	12,452.76
Taxes Paid (Net)	(4,014.64)	(4,745.01)
Net Cash From Operating Activities (A)	15,237.76	7,707.74
(B) Cash Flow From Investing Activities		
Addition to Fixed Assets / CWIP (Net)	(20,188.08)	(8,280.53)
Proceeds from Sale of Fixed Assets	8.32	-
(Increase) / Decrease in Investment	356.00	(1,163.91)
Interest Income	22.75	45.54
Sale/Redemption of Shares or Mutual Funds	1,598.87	385.21
Dividend Income	21.27	14.35
Profit/ (Loss) on investment in subsidiary	141.48	(13.19)
Net Cash used in Investing Activities (B)	(18,039.40)	(9,012.54)



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Standalone Cash Flow Statement

For the year ended 31st March 2020

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
(C) Cash Flow From Financing Activities		
Proceeds / Repayment from Short Term Borrowings	2,240.35	476.90
Proceeds / Repayment from Long Term Borrowings	4,050.45	942.37
Dividend Paid (including Dividend Distribution Tax)*	(2,636.37)	(1,047.30)
Interest Paid	(100.83)	(148.97)
Net Cash from Financing Activities (C)	3,553.59	223.01
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	751.96	(1,081.78)
Opening Balance of Cash and Cash Equivalents	305.55	1,155.59
Add : Cash & Cash Equivalents (Opening Balance of Merged Company)	-	231.75
Closing Balance of Cash and Cash Equivalents	1,057.51	305.55

*Include ₹ 2.87 lakh (Previous Year ₹ 0.60 Lakh) towards unclaimed dividend.

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 :- 8th May, 2020

For and on behalf of the Board

Mr. Arvind Chheda

(Managing Director)

DIN: 00299741

Vyoma Vyas

(Company Secretary)

Mr. Mahek Chheda

(Whole Time Director)

DIN: 06763870

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

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.

The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakhs.

The financial statements of the Company for the year ended 31.3.2020 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 8th May 2020.

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. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

C. 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 expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

- (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.

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.

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.

D. 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 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

Intangible Assets

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

Particulars	Depreciation
Goodwill	Over the period of 5 Years



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for the year ended 31st March, 2020

E. Impairment

- (i) The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
- (ii) An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Foreign Currency Transactions

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.

G. Investments

Current investments are carried at lower of cost and quoted/market value. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

H. Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower

Inventories have been valued on the following basis:

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

I. 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.

J. Employee Benefit Expenses

Short Term Employee 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Post Employment Benefits:

Defined Contribution Plans

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

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.

K. 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.

L. Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet 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.

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.

M. Provisions, Contingent Liabilities 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 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.



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for the year ended 31st March, 2020

2 SHARE CAPITAL

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
A AUTHORIZED CAPITAL		
2,06,00,000 Equity Shares of ₹ 10/- each (P.Y. 1,05,00,000)	2,060.00	1,050.00
20,00,000 Optionally Convertible Preference Shares of ₹ 10 each (P.Y. Nil)	200.00	-
40,000 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (P.Y. Nil)	40.00	-
TOTAL	2,300.00	1,050.00
B ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL		
Equity Share Capital		
1,21,49,218 Equity Shares of ₹ 10/- each fully paid-up. (P.Y. 58,64,350)	1,214.92	586.44
Preference Share Capital		
18,33,087 Optionally Convertible Preference Shares of ₹ 10 each (P.Y. Nil)	183.31	-
38,400 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (P.Y. Nil)	38.40	-
Total	1,436.63	586.44

2.1 Rights, Preferences and Restrictions attached to Shares:

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.

Optionally Convertible Preference Shares (OCPS)

- Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.
- Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.
- 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.

Redeemable Non Cumulative Preference Shares (RNPS)

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 earstwhile company (Amarjyot Chemical Limited) shall be reduced.

2.2 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 were allotted pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal (Mumbai Bench).

2.3 32,76,288 Equity Shares of ₹ 10/- each were issued as bonus shares in F.Y. 2015-16.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

2.4 The Reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Shares outstanding at the beginning of the year	58,64,350	58,64,350
Add : Shares Issued during the year	62,84,868	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,21,49,218	58,64,350

2.5 The details of Equity Shareholders holding more than 5% Shares

Name of the Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No of Shares (Nos)	% of Holding	No of Shares (Nos)	% of Holding
Mr. Arvind K. Chheda	427,738	3.52	427,738	7.29
Mr. Bhanumati M. Savla	450,230	3.70	451,130	7.69
Mrs. Aarti R. Gogri	917,239	7.54	291,721	4.97
Mrs. Manisha R. Gogri	707,525	5.82	709,129	12.09
Mrs. Jaya C. Gogri	984,198	8.10	320,336	5.46
Mrs. Tarla Parimal Desai	837,827	6.90	156,190	2.66

3 RESERVES & SURPLUS

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Capital Reserve		
Opening Balance	7,846.30	1,436.02
Add: Pursuant to the Scheme of Merger	-	6,410.28
Closing Balance	7,846.30	7,846.30
b. General Reserve		
Opening Balance	1,375.12	69.85
Add: Transferred from Profit and Loss Account	1,389.85	1,305.27
Closing Balance	2,764.97	1,375.12
c. Surplus (Balance in Profit & Loss Account)		
Opening Balance	15,278.90	3,825.45
Add: Net Profit for the year	13,852.47	13,323.54
Less: Allocations and Appropriations		
Transferred to General Reserve	(1,389.85)	(1,305.27)
Dividend	(2,186.86)	(504.05)
Tax on Dividend	(449.52)	(60.76)
Closing Balance	25,105.15	15,278.90
TOTAL	35,716.42	24,500.32



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for the year ended 31st March, 2020

4 SHARE CAPITAL PENDING ALLOTMENT

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Share capital pending allotment pursuant to the scheme of Merger		
- 62,84,868 Equity Shares of ₹ 10 each	-	628.49
- 18,33,087 Optionally Convertible Preference Shares of ₹ 10 each	-	183.31
- 38,400 Redeemable Non-Cumulative Preference Shares of ₹ 100 each	-	38.40
TOTAL	-	850.20

5 LONG TERM BORROWINGS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Secured loan		
Term Loans / ECB From Banks	7,934.05	2,132.49
b. Unsecured Loans		
From Related Parties	-	522.86
From Other Parties	135.68	1,363.93
TOTAL	8,069.73	4,019.29

5.1 Outstanding Term / Corporate Loans to the extent of ₹ 9,273.65 Lakhs are secured by way of Hypothecation of movable Fixed Assets & Current Assets, both present and future of the company.

5.2 Repayment Terms of Secured Term Loans and ECBs:

Particulars	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
ECB/ Term Loan/ Corporate Loan from Banks / Financial Institutions	2,531.92	2,092.00	2,057.00	1,253.13

6 DEFERRED TAX LIABILITY (NET)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Opening Balance	1,250.15	367.22
Pursuant to the Scheme of Merger	-	742.94
Charge to the Statement of Profit and Loss	43.85	140.00
TOTAL	1,294.00	1,250.15

6.1 Components of Deferred Tax Liability (Net)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Deferred Tax Liabilities/(assets) in relation to:		
Property, Plant and Equipment	1,372.00	1,631.00
Disallowances under the Income Tax Act, 1961	(78.00)	(380.85)
TOTAL	1,294.00	1,250.15

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

7 LONG TERM PROVISIONS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Provision For Employees Benefit (Refer Note 25)	37.48	99.56
b. Other Long Term Provisions	-	159.31
TOTAL	37.48	258.87

8 SHORT TERM BORROWINGS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Secured Loans from Banks		
-Loans Repayable on demand	2,214.41	742.07
TOTAL	2,214.41	742.07

Working Capital Loans are secured by way of Hypothecation of movable Fixed Assets & Current Assets, both present and future of the company.

9 TRADE PAYABLES

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Trade Payables		
- Total Outstanding Dues of Micro enterprises and Small Enterprises; and	-	-
- Total Outstanding dues of Creditors other than Micro enterprises and small enterprises (refer note no 36)	8,397.91	6,976.42
TOTAL	8,397.91	6,976.42

There are no Micro and Small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information Available with the Company.

10 OTHER CURRENT LIABILITIES

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Current Maturity of Long Term Debt	1,339.60	571.60
b. Creditors for Capital Expenditure	1,971.99	-
c. Statutory Dues	74.06	82.69
d. Income Received in Advance	40.21	-
e. Other Payables	184.74	134.72
TOTAL	3,610.61	789.01

11 SHORT TERM PROVISIONS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Provision For Employees Benefit	310.15	227.21
b. Other Provisions	2.87	0.60
TOTAL	313.02	227.81

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

13 NON CURRENT INVESTMENTS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Trade Investments		
In Equity Shares - Quoted Fully Paid		
2,35,800 Aarti Industries Limited (FV ₹ 5/-) (P.Y. 2,16,400)	48.07	180.69
b. Other Investments		
i. In Equity Shares of Subsidiary		
Unquoted Fully Paid		
2,50,000 Valiant Speciality Chemical Limited (FV ₹10) (P.Y. Nil)	25.00	-
Others	0.05	-
ii. In Mutual Funds - Quoted Fully Paid		
1,000 SBI Mutual Funds	0.10	0.10
iii. Investment in LLP at Cost		
- Dhanvallabh Ventures LLP	1,429.09	722.61
TOTAL	1,502.32	903.40

Market Value of Quoted Equity Shares as at 31st March 2020 is ₹ 1,808.00 Lakhs (P.Y. ₹ 3,414.03 Lakhs)

14 LONG TERM LOANS & ADVANCES

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Capital Advances	1,540.85	855.21
b. Security Deposit	567.35	247.13
c. Loan To Others:-		
Unsecured Considered Good	-	122.88
TOTAL	2,108.19	1,225.22

15 CURRENT INVESTMENTS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Trade Investments		
i. In Equity Shares - Quoted Fully Paid		
460 Axis Bank Limited (FV ₹2) (460)	1.74	2.03
4,500 Biocon Limited (FV ₹5) (2,250)	6.09	8.02
2,000 Bodal Chemicals Limited (FV ₹2) (2,000)	0.85	3.54
400 Elantas Beck India Limited (FV ₹10) (400)	6.57	6.57
2,750 Grasim Industries Limited (FV ₹2) (2,750)	13.07	28.46



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for the year ended 31st March, 2020

15 CURRENT INVESTMENTS (CONTD.)

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
1,100 HDFC Bank Limited (FV ₹2) (555)	4.78	6.46
7,500 HDFC Standard Life Insurance Co. Ltd. (FV ₹10) (7,500)	26.46	26.46
770 ICICI Bank Limited (FV ₹2) (770)	1.74	1.74
500 Mahanagar Gas Limited (FV ₹10) (500)	4.09	5.70
5,000 Orchid Pharma Limited (FV ₹10) (5,000)	-	0.96
5,000 State Bank of India (FV ₹1) (5,000)	9.85	16.23
750 Sundaram Finance Limited (FV ₹10) (750)	9.00	13.17
5,750 Sundaram Finance Holdings Limited (FV ₹5) (5,750)	-	8.12
500 Torrent Pharmaceutical (FV ₹5) (500)	7.35	7.35
400 Va Tech Wabag Limited (FV ₹2) (400)	0.33	2.74
ii. In Mutual Funds - Quoted Fully Paid		
- Reliance Liquid Fund	-	145.00
- Reliance Money Market Fund Direct Growth	-	764.24
b. Other Investments		
In Equity Shares - Unquoted Fully Paid	-	0.05
TOTAL	91.93	1,046.84

Market Value of Quoted Equity Shares as at 31st March 2020 is ₹ 103.93 Lakhs (PY ₹ 146.61 Lakhs).

Market Value of Quoted Mutual Fund as at 31st March 2020 is Nil (PY ₹ 911.96 Lakhs).

16 INVENTORIES

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Raw Material	2,299.48	1,866.03
b. Work-in-Progress	524.41	584.32
c. Finished Goods	993.81	1,293.09
d. Fuel	109.85	9.40
e. Stores & Spares	101.39	101.77
f. Packing Materials	63.80	36.93
TOTAL	4,092.74	3,891.55

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

17 TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Less than six months (Unsecured and Considered Good) (refer note no. 36)	10,565.84	12,055.26
b. More than six months		
- Unsecured and Considered Good	514.00	34.91
- Unsecured Doubtful Debts	119.89	104.60
- Provision for Doubtful Debts	(119.89)	(104.60)
TOTAL	11,079.84	12,090.17

18 CASH & CASH EQUIVALENTS

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Cash on hand	7.58	5.66
b. Balances with Banks	1,049.94	299.90
TOTAL	1,057.51	305.55

Balances with Banks include Unclaimed Dividend of ₹ 2.87 Lakh (P.Y. ₹ 0.60 Lakh) and Fixed Deposits of ₹ 302.83 Lakhs (P.Y. ₹ 32.74 Lakhs) with maturity of less than 12 months.

19 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
- Balances With Revenue Authorities (Indirect Taxes)	1,874.43	1,073.69
- Advance to Suppliers	328.18	-
- Advance Income Tax (Net of Provisions)	439.55	-
- Advance to Staff / Workers	41.89	26.65
- Prepaid Expenses	10.86	34.83
- Export Benefit Receivable	3.54	35.85
- Interest Receivable	1.58	1.58
- Other Receivables	8.24	4.85
TOTAL	2,708.26	1,177.44



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for the year ended 31st March, 2020

20 REVENUE FROM OPERATION

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Revenue from Sale of Manufactured Products	53,332.92	53,752.30
b. Trading Sales	419.76	1,236.10
c. Sale of Services	4,604.98	5,609.22
TOTAL	58,357.66	60,597.62

20.1 REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Sale of products comprises of		
i. Manufactured goods		
- PNA	16,462.63	15,618.25
- PCP	12,752.92	12,397.68
- OA	8,124.39	6,649.00
- OCP	4,181.36	4,150.50
- 2,4 DCP	1,484.97	1,462.05
- Others	10,326.66	13,474.83
Total - Sale of Manufactured Goods	53,332.92	53,752.30
ii. Trading Sales		
Sale of Traded Goods	419.76	1,236.10
Total - Sale of Products	53,752.68	54,988.40
b. Sale of services comprises of		
Conversion Services	4,604.98	5,609.22
Total - Sale of Services	4,604.98	5,609.22
Total - Operating Revenues	58,357.66	60,597.62

21 OTHER INCOME

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Interest Income	22.75	27.55
b. Dividend Income	21.27	14.35
c. Net gain/loss on sale of investments	1,598.87	385.21
d. Other non-operating income	413.36	215.94
TOTAL	2,056.25	643.05

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

22 COST OF MATERIALS CONSUMED

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
A. Raw Material		
Opening Stock	1,900.30	2,248.54
Purchase	27,573.90	30,556.22
Closing Stock	2,299.48	1,900.30
Raw Material Consumption	27,174.72	30,904.46
B. Packing Materials		
Opening Stock	36.93	42.46
Purchase	832.94	660.14
Closing Stock	63.80	36.93
Packing Material Consumption	806.08	665.67
C. Fuel & Diesel Exp		
Opening Stock	9.40	30.08
Purchase	2,704.56	2,255.86
Closing Stock	109.85	9.40
Fuel Consumption	2,604.11	2,276.54
D. Stores & Spare		
Opening Stock	101.77	85.56
Purchase	429.40	328.59
Closing Stock	101.39	101.77
Stores & Spares Consumption	429.78	312.37
TOTAL	31,014.70	34,159.03

22.1 COST OF MATERIALS CONSUMED

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Phenol	6,029.89	7,021.37
b. PNCB	5,347.44	8,223.20
c. ONA	5,354.12	4,987.18
d. Hydrogen Gas	1,134.22	1,462.46
e. Others	13,149.03	12,464.82
TOTAL	31,014.69	34,159.03

23 PURCHASE OF STOCK IN TRADE

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Purchase of Trading Goods	390.13	1,142.10
TOTAL	390.13	1,142.10



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for the year ended 31st March, 2020

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

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Finished Goods		
- Closing Stock	993.81	1,293.09
- Opening Stock	1,293.09	985.21
Sub-Total (A)	299.27	(307.88)
b. Work -In- Progress		
- Closing Stock	524.41	550.05
- Opening Stock	550.05	527.10
Sub-Total (B)	25.64	(22.95)
TOTAL	324.92	(330.83)

25 EMPLOYEE BENEFIT EXPENSES

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Salaries & Wages	1,785.39	1,619.35
b. Contribution to Provident fund & Other Funds	146.43	51.63
c. Staff Welfare Expenses	151.51	128.76
TOTAL	2,083.33	1,799.74

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

Defined Benefit 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.

a. Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Defined Benefit Obligation at the Beginning of the Year	175.46	145.59
Current Service Cost	17.10	13.82
Interest Cost	13.67	11.51
Actuarial (Gain)/Loss	25.95	9.46
Benefits Paid	(2.54)	(4.92)
Benefit Obligation at the End of the Year	229.64	175.46

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

b. Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Fair Value of Plan Assets at the Beginning of the Year	94.01	45.51
Expected Return on Plan Assets	7.32	3.57
Actuarial Gain/(Loss)	(8.34)	(0.98)
Contributions by the Employer	40.00	46.99
Benefits Paid	(0.98)	(1.08)
Fair Value of Plan Assets at the End of the Year	132.01	94.01

c. Reconciliation of fair value of Assets and Obligations

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Present Value of Obligation	229.64	175.46
Fair Value of Plan Assets	132.01	94.01
Amount recognised in Balance Sheet	97.62	81.45

d. Expenses recognised during the year

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Current Service Cost	17.10	13.82
Net Interest Cost	6.35	7.94
Actuarial (Gains)/Losses	34.28	10.44
Expenses Recognized in the Statement of Profit or Loss	57.73	32.20

e. Investment Details

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Insurance Fund		
Amount Invested	132.01	94.01
% Invested	100%	100%

f. Actuarial assumptions

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Discount Rate (per annum)	0.07	0.08
Expected Rate of Return on plan assets (per annum)	0.07	0.08
Rate of escalation in Salary (per annum)	0.05	0.05
Rate of Employee Turnover	0.02	0.02

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion, other relevant factor's including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.



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for the year ended 31st March, 2020

26 FINANCE COST

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Interest Expenses	100.83	135.40
b. Other Borrowing Costs	-	13.57
TOTAL	100.83	148.97

27 OTHER EXPENSES

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Manufacturing Expenses		
Consumption of Power & Steam	1,830.35	1,416.69
Freight, Octroi & Cartage	506.02	441.78
Repair & Maintenance	-	-
- Building	73.54	38.15
- Plant & Machinery	1,154.72	873.74
Conversion Charges	39.95	46.32
Insurance Charges	30.36	34.03
Water & Drainage Charges	106.14	80.96
Effluent Treatment Plant	645.34	490.10
Boiler Operating Costs	265.08	-
Labour Charges	867.32	732.98
Loading & Unloading Expenses	294.98	357.12
Safety & Security Charges	38.98	46.73
Laboratory Expenses	23.65	17.47
Consultancy Charges (Mfg)	130.88	55.63
Other Manufacturing Expenses	39.43	39.33
TOTAL (A)	6,046.72	4,671.04
b. Selling & Distribution Expenses		
Advertising Expenses	10.70	16.31
Freight & Forwarding Charges	508.72	525.24
Bad Debts Written Off	-	77.69
Provision for Doubtful Debt	15.29	-
Export Expenses	4.81	5.50
Bank Commission	18.15	38.14
Commission on Sales	40.46	41.75
Discount Allowed	30.55	30.81
Other Selling & Distribution Expenses	10.41	16.41
TOTAL (B)	639.09	751.84
c. Office & Administrative Expenses		
Legal & Professional Fees	115.18	106.17
Auditors Remuneration (Refer Note No. 27)	8.22	7.42
Printing & Stationery	28.36	21.86
Consultancy Charges	0.77	11.03
Travelling & Conveyance Expenses	18.53	17.01
Vehicle Expenses	22.01	26.41
Telephone, Courier & Postage Charges	15.63	14.19
Other Office & Administrative Expenses	182.09	194.66
TOTAL (C)	390.79	398.75

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

27 OTHER EXPENSES (CONTD.)

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
d. Non Operating Expenses		
Donation		
- CSR Activity	165.81	97.75
- Other Donation	4.44	3.90
Realised (Gain)/Loss on Sale of Investment	-	120.10
Unrealised Loss on Investment	45.62	-
Loss on Investment in Subsidiary	-	13.19
Loss on Sale of Assets	1.00	-
Other non-operating exp	5.84	-
TOTAL (D)	222.71	234.94
TOTAL (A+B+C+D)	7,299.31	6,056.57

27.1 EARNINGS IN FOREIGN CURRENCY

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
FOB Value of Exports	8,500.21	7,394.13
TOTAL	8,500.21	7,394.13

27.2 VALUE OF IMPORTS ON CIF BASIS

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Raw Materials and Stock-in-Trade	5,014.41	5,871.40
Capital Goods	90.98	-
TOTAL	5,105.40	5,871.40

27.3 COST OF MATERIALS CONSUMED

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Imported	4,673.40	5,634.15
Indigenous	26,341.29	28,524.88
TOTAL	31,014.70	34,159.03

27.4 EXPENDITURE IN FOREIGN CURRENCY

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Travelling Exp	2.73	-
TOTAL	2.73	-



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for the year ended 31st March, 2020

28 AUDITOR'S REMUNERATION

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Auditors Remuneration		
- For Statutory Audit	8.00	7.00
- For Out of Pocket Exps	0.20	0.42
TOTAL	8.20	7.42

29 CONTINGENT LIABILITIES AND COMMITMENTS

(To the extent not provided for)

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Contingent Liabilities		
- Letter of Credit, Bank Guarantees & Bills discounted	637.65	44.71
b. Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	2,657.95	2,081.71
TOTAL	3,295.60	2,126.43

30 EARNING PER SHARE (EPS)

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Profit for the year before the impact of scheme of merger	13,852.47	12,126.95
Profit for the year After the impact of scheme of merger	13,852.47	13,323.54
The Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.)	1,21,49,218	1,21,49,218
The Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.)	1,39,82,305	1,39,82,305
Nominal Value of Equity Share (in ₹)	10.00	10.00
Basic Earnings Per Share (in ₹)		
- Before impact of scheme of merger	114.02	99.82
- After impact of scheme of merger	114.02	109.67
Diluted Earnings Per Share (in ₹)		
- Before impact of scheme of merger	99.07	86.73
- After impact of scheme of merger	99.07	95.29

*For the purposes of computation of basic earning per shares for FY 18-19 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 share for FY 2018-19 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

30.1 Number of Shares for Computation of EPS

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Basic EPS		
Existing (nos.)	1,21,49,218	58,64,350
On Merger - Equity Shares (nos.)	-	62,84,868
Total (Nos.)	1,21,49,218	1,21,49,218
Diluted EPS		
Existing (nos.)	1,21,49,218	58,64,350
On Merger - Equity Shares (nos.)	-	62,84,868
OCPS (convertible into Equity in the ratio of 1:1) (nos.)	18,33,087	18,33,087
TOTAL (Nos.)	1,39,82,305	1,39,82,305

31 SEGMENT REPORTING

As per Accounting Standard (AS) 17 on "Segment Reporting"

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

Segment Revenue	(₹ In Lakhs)	
	31 st March, 2020	31 st March, 2019
a) Exports	8,500.21	7,394.13
b) In India	49,857.45	53,203.48
Total	58,357.66	60,597.61

32 DIVIDEND DISTRIBUTION MADE

The company paid dividend of ₹ 18 per share during the year. Of this, ₹ 11 (of ₹ 10/- each) per share was interim dividend for FY 19-20 and ₹ 7 per share (of ₹ 10/- each) was the final dividend for the FY 18-19. The total amount of dividend pay-out during the year is ₹ 2,636.37 Lakhs (Previous Year: ₹ 564.81 Lakhs) including DDT.

33 CORPORATE SOCIAL RESPONSIBILITY

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 ₹165.81 Lakh (Previous Year ₹97.75 Lakh).



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for the year ended 31st March, 2020

34 MERGER OF AMARJYOT CHEMICAL LIMITED WITH THE COMPANY

In the previous year, the Scheme of Amalgamation ('Scheme') between the Company and Amarjyot Chemical Limited with an appointed date of 1 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 fair values from the appointed date.

The said Scheme received the approval of the Hon'ble National Company Law Tribunal (Mumbai Bench) on 8 March 2019 and subsequent to approvals by other relevant regulatory authorities; the Scheme became effective on 19 April 2019. Since the Scheme received all the requisite approvals after the financial statements for the year ending 31 March 2018 were authorised by the shareholders, the impact of amalgamation has been given in the previous financial year with effect from the appointed date.

In accordance with the provisions of the aforesaid Scheme,

- (i) The approved share swap ratio was 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 and 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 ₹ 850.20 lakhs, the Company allotted and issued 64,82,868 equity shares of ₹ 10 each, 18,33,087 OCPS of ₹ 10 each and 38,400 RNPS of ₹ 100 each to the shareholders of erstwhile Amarjyot Chemicals Limited in May 2019.
- (ii) The amalgamation was accounted under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the NCLT.
- (iii) The transfer of assets and liabilities of Amarjyot Chemical Limited was affected from "appointed date" of 1 October 2017 as defined in the Scheme.
- (iv) Book value of assets and liabilities acquired from Amarjyot Chemical Limited aggregated to ₹ 7,370.42 lakhs. The total purchase consideration paid was ₹ 850.20 lakhs. The Company recognised resultant Capital Reserve of ₹ 6,410.28 lakhs after adjustment of ₹ 84.94 Lakhs for Goodwill (on earlier acquisitions) on account of alignment of accounting policies and cancellation of investment by Company in Amarjyot Chemical Limited (₹ 25,00,000) prior to amalgamation.
- (v) Profit of Amarjyot Chemical Limited for the period beginning from 1st October 2017 till 31st March 2018 of ₹ 1,196.59 Lakhs had been recognised in FY 2018-19 as a separate line item after profit for the year 2018-19 (before the impact of the scheme of merger).

35 PREVIOUS YEAR FIGURES

Figures for the previous year have been regrouped wherever necessary.

36 RELATED PARTY DISCLOSURE

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

Name of Subsidiary	Country	Ownership interest
Dhanvallah Ventures LLP	India	65.00%
Bharat Chemicals (Through Dhanvallah Ventures LLP as partner)	India	62.50%
Valiant Speciality Chemical Limited	India	100.00%

* 62.50 % stake owned by Dhanvallah Venture LLP in Bharat Chemicals

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

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.

- i. Novel Spent Acid Management
- ii. 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.

Name of the Related Party	Relationship
Mr. Arvind K. Chheda	Managing Director (From 19 th April-2019)
Mr. Hemchand L. Gala	Chairman / Managing Director (Till 19 th April-2019)
Mr. Vishnu J. Sawant	Whole Time Director
Mr. Mahek M. Chheda	Whole Time Director
Mr. Mahesh M. Savadia	Whole Time Director
Mr. Dinesh S. Shah	Whole Time Director
Mr. Bijal D. Modi	Whole Time Director
Mr. Bhavesh D. Sheth	Whole Time Director (In the erstwhile Amarjyot Chemical Ltd, Till 19 th April 2019)
Mr. Pankaj S. Shah	Relative of Director
Mr. Siddharth D. Shah	Relative of Director
Mr. Nemin M. Savadia	Relative of Director
Ms. Vyoma Vyas	Company Secretary

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

Description of Trasaction	Year	Subsidiaries (I)	(₹ In Lakhs)	
			Other Related Enterprises (II)	Key Management Personnel and their relatives (III)
Sale of Goods	CY	-	375.24	-
	PY	-	447.95	-
Receipt of Services	CY	-	144.88	-
	PY	-	110.08	-
Investment during the year	CY	590.00	-	-
	PY	635.80	-	-
Outstanding items pertaining to the related parties at the balance sheet date: Receivable/(Payable)	CY	1,430.92	76.23	101.44
	PY	722.61	27.52	692.30



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for the year ended 31st March, 2020

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

(₹ In Lakhs)

Description of Transaction	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Directors/ KMP Remuneration	166.46	141.20
Commission to Directors	90.00	185.22
Total	256.46	326.43

#Provision towards gratuity and leave encashment expenses are determined actuarially for the Company as a whole on an annual basis.

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 :- 8th May, 2020

For and on behalf of the Board

Mr. Arvind Chheda

(Managing Director)

DIN: 00299741

Vyoma Vyas

(Company Secretary)

Mr. Mahek Chheda

(Whole Time Director)

DIN: 06763870



Independent Auditor's 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 (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, 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, 2013 ("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 Group as at 31st March 2020, the consolidated profit and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules 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.

Key Audit Matters	Auditor's Response
<p>Accuracy, Completeness, and disclosure with reference to AS-10 of Property, Plant and Equipment (including Capital Work in Progress):</p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on 31.3.2020 of ₹ 40,198.17 lakhs include ₹ 14,153.37 lakhs capitalised/transferred from capital work in progress during the year.</p> <p>Capital expenditure involves management technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Group.</p>	<p>Our audit procedures, amongst others, include the following –</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. ▪ Obtaining an understanding of management's identification of the costs that can be capitalised and have undertaken substantive audit procedures to verify the capitalisation of these costs. ▪ We assessed the Group's process regarding maintenance of records, valuation and accounting of transactions relating to Property, Plant and Equipment. ▪ We have reviewed management's judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment and checked arithmetical accuracy of related depreciation. ▪ We have verified the capitalisation of borrowings costs incurred on qualifying asset in accordance with the Accounting Standard 16: Borrowing Costs. ▪ Ensuring adequacy of disclosures in the consolidated financial statements.



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INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 Group in accordance with the accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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, which have been used for the purpose of the consolidated financial statements by the directors of the holding company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group to continue as

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTERS

We did not audit financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 7982.93 lakhs as at March 31, 2020, total revenues of ₹ 9135.69 lakhs, net profit after tax of ₹ 550.03 lakhs, net cash inflow of ₹ 152.24 lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial 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 that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company and its subsidiaries included in the Group so far as it appears from our examination of those books and the reports of the other auditors.
 - 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 and records maintained by the Holding Company and its subsidiaries included in the Group 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, 2020 taken on record by the Board of Directors of the Holding Company none of the directors of the



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Holding Company are disqualified as on March 31, 2020 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and according to the explanations given to us, the remuneration paid by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has no pending litigations which would impact consolidated financial position.
- ii. The Group does not have any long-term contracts including derivative contracts for which there are 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 Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 20123215AAAAAR5388
Place: Mumbai
Date: 8th May 2020

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 with reference to financial statements 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 as on March 31, 2020 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 respective Board of Directors of the Holding Company and its subsidiaries 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 (ICAI). 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 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 Act.

AUDITOR'S 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") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to

these consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 with reference to these consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



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INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries, have, maintained in all material respects, adequate internal financial controls system over financial reporting

and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective entities, to the extent applicable, 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 Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 20123215AAAAAR5388
Place: Mumbai
Date: 8th May 2020

Consolidated Balance Sheet

as at 31st March, 2020

PARTICULARS	Note No.	(₹ In Lakhs)	
		As at 31 st March, 2020	As at 31 st March, 2019
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital	2	1,436.63	586.44
(b) Reserves and Surplus	3	35,716.42	24,500.32
Sub - Total (A)		37,153.05	25,086.76
(2) Share Capital Pending Allotment	4	-	850.20
Sub - Total (B)		-	850.20
(3) Minority Interest	5	1,312.68	1,162.68
Sub - Total (C)		1,312.68	1,162.68
(4) Non-Current Liabilities			
(a) Long Term Borrowings	6	8,367.14	4,425.84
(b) Deferred Tax Liabilities (Net)	7	1,352.66	1,286.44
(c) Long Term Provisions	8	183.37	258.87
Sub - Total (D)		9,903.17	5,971.15
(5) Current Liabilities			
(a) Short Term Borrowings	9	4,042.08	3,265.91
(b) Trade Payables	10	-	-
- Total Outstanding Dues of Micro enterprises and Small Enterprises; and		-	-
- Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		8,788.70	7,428.36
(c) Other Current Liabilities	11	3,666.42	811.68
(d) Short-Term Provisions	12	338.76	243.53
Sub - Total (E)		16,835.95	11,749.47
Total (A+B+C+D+E)		65,204.85	44,820.25
II. ASSETS			
(1) Non-Current Assets			
(a) Property Plant and Equipment	13		
(i) Tangible Assets		27,285.99	14,309.55
(ii) Intangible Assets		284.38	659.89
(iii) Capital Work-in-Progress		12,912.18	6,556.06
(b) Non Current Investments	14	73.22	180.79
(c) Long-Term Loans and Advances	15	2,172.23	1,267.16
Sub - Total (F)		42,728.00	22,973.46
(2) Current Assets			
(a) Current Investments	16	421.93	1,046.84
(b) Inventories	17	4,486.43	4,790.99
(c) Trade Receivables	18	13,259.43	14,137.77
(d) Cash and Cash Equivalents	19	1,267.96	363.78
(e) Short-Term Loans and Advances	20	3,041.09	1,507.40
Sub - Total (G)		22,476.84	21,846.79
Total (F+G)		65,204.85	44,820.25
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-38		

Previous year's figures are regrouped/rearranged wherever required.

As per our report of even date attached

For and on behalf of the Board

For Gokhale & Sathe

Chartered Accountants
(Firm Regn No.103264W)

Tejas Parikh

Partner
M.No.123215

Mr. Arvind Chheda

(Managing Director)
DIN: 00299741

Mr. Mahek Chheda

(Whole Time Director)
DIN: 06763870

Place : Mumbai

Date :- 8th May, 2020

Vyoma Vyas

(Company Secretary)



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Consolidated Statement of Profit & Loss

For the year ended 31st March 2020

		(₹ In Lakhs)		
Sr. No	Particulars	Note No.	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
I	Revenue from operations	21	67,493.35	69,230.25
II	Other Income	22	2,137.57	872.69
III	Total Revenue (I +II)		69,630.92	70,102.93
IV	Expenses:			
	Cost of materials consumed	23	38,519.55	41,756.23
	Purchase of Stock-in-Trade	24	390.13	1,142.10
	Changes in inventories of finished goods, WIP and Stock-in-Trade	25	402.47	(262.75)
	Employee Benefit Expenses	26	2,313.41	1,848.31
	Finance Cost	27	224.16	367.65
	Depreciation and amortization Expense	13	1,544.28	1,364.12
	Other Expenses	28	7,956.77	6,765.82
	Total Expenses (IV)		51,350.77	52,981.49
V	Profit before exceptional and extraordinary items and tax (III - IV)		18,280.15	17,121.44
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		18,280.15	17,121.44
VIII	Extraordinary Items		-	-
IX	Profit before tax (III - IV)		18,280.15	17,121.44
X	Tax expense:			
	(1) Current tax		4,146.00	4,801.31
	(2) Short / (Excess) provision for tax of earlier year(s)		14.64	18.49
	(3) Deferred tax		66.22	176.61
XI	Profit for the year before the impact of the scheme of merger		14,053.29	12,125.04
XII	Impact of the scheme of merger relating to FY.2017-18 (Refer Note No-35)		-	1,196.59
XIII	Profit for the year After the impact of the scheme of merger		14,053.29	13,321.62
XIV	Less :Profit/(loss) attributable to minority interest		200.82	(1.91)
XV	Profit for the year After the impact of scheme of merger		13,852.47	13,323.54
XIV	Earnings Per Share - Basic and Diluted	30		
	Before the impact of the scheme of merger			
	(1) Basic		114.02	99.82
	(2) Diluted		99.07	86.73
	After the impact of the scheme of merger			
	(1) Basic		114.02	109.67
	(2) Diluted		99.07	95.29
	Significant Accounting Policies			
	See accompanying Notes to the Financial Statements	1-38		

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 and on behalf of the Board

Tejas Parikh
 Partner
 M.No.123215

Mr. Arvind Chheda
 (Managing Director)
 DIN: 00299741

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

Place : Mumbai
 Date :- 8th May, 2020

Vyoma Vyas
 (Company Secretary)

Consolidated Cash Flow Statement

For the year ended 31st March 2020

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
(A) Cash Flow from Operating Activities		
Net Profit Before Tax as per Statement of Profit and Loss	18,280.16	17,121.44
Adjusted For:		
Interest Paid	82.20	367.65
(Profit) / Loss on Sale of Asset	1.00	120.10
Depreciation and Amortization Expense	1,544.28	1,364.12
Interest Income	(31.98)	(51.91)
Gains on Sale / Redemption of Shares / Mutual Funds / Other Income	(1,598.87)	(385.21)
Dividend Income	(21.27)	(14.35)
Lease Rent	(180.00)	(180.00)
Operating Profit Before Working Capital Changes	18,075.52	18,341.85
Adjustments for:		
Trade & Other Receivables	878.34	(4,250.13)
Trade Payable & Other Provisions	3,466.81	(873.11)
Inventories	304.57	(292.84)
Loans and advances given	(2,438.75)	(578.61)
Cash Generated from Operations	20,286.48	12,347.15
Taxes Paid (Net)	(4,160.63)	(4,749.01)
Net Cash From Operating Activities (A)	16,125.85	7,598.13
(B) Cash Flow From Investing Activities		
Addition to Fixed Assets / CWIP (net)	(20,510.65)	(8,899.54)
Proceeds from Sale of Fixed Assets	8.32	-
(Increase) / Decrease in Investment	732.48	(169.28)
Interest Income	31.98	51.91
Sale/Redemption of Shares or Mutual Funds	1,598.87	-
Dividend Income	21.27	14.35
Profit/(Loss) on investment in subsidiary	-	-
Lease Rent	180.00	180.00
Net Cash used in Investing Activities (B)	(17,937.73)	(8,822.56)



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Consolidated Cash Flow Statement

For the year ended 31st March 2020

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
(C) Cash Flow From Financing Activities		
Proceeds/Repayment from Short Term Borrowings	725.35	1,515.49
Proceeds/Repayment from Long Term Borrowings	4,709.30	-
Dividend Paid (including Dividend Distribution Tax)	(2,636.37)	(1,047.30)
Interest Paid	(82.20)	(367.65)
Net Cash from Financing Activities (C)	2,716.07	100.54
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	904.20	(1,123.89)
Opening Balance of Cash and Cash Equivalents	363.77	1,255.91
Add : Cash & Cash Equivalents (Opening Balance of Merged Company)	-	231.75
Closing Balance of Cash and Cash Equivalents*	1,267.96	363.77

*Include ₹ 2.87 lakh (Previous Year ₹ 0.60 Lakh) towards unclaimed dividend.

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 :- 8th May, 2020

For and on behalf of the Board

Mr. Arvind Chheda

(Managing Director)

DIN: 00299741

Vyoma Vyas

(Company Secretary)

Mr. Mahek Chheda

(Whole Time Director)

DIN: 06763870

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

1 SIGNIFICANT ACCOUNTING POLICIES:

A. Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Dhanvallabh Venture LLP	India	65.00%
Bharat Chemicals (Through Dhanvallabh Ventures LLP as partner)	India	62.50% *
Valiant Speciality Chemical Limited	India	100.00%

* 62.50 % stake owned by Dhanvallabh Venture LLP in Bharat Chemicals

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 are prepared of the Parent Company and Subsidiary entities(s) drawn up to the same reporting date i.e. 31st March, 2020 accordance with Accounting Standard 21 – Consolidated Financial Statements
- (ii) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by line basis 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.
- (iii) 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.
- (iv) 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.

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 expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (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.

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.

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.

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.



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Particulars	Depreciation
Factory Building (Useful 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

Intangible Assets

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

Particulars	Depreciation
Goodwill	Over the period of 5 Years

F. Impairment

- (i) The Group assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
- (ii) An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. Foreign Currency Transactions

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.

H. Investments

Current investments are carried at lower of cost and quoted/fair value, computed on line-by-line basis. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

I. Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower

Inventories have been valued on the following basis:

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

J. 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.

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(vi) Dividend income is recognised when right to receive is established.

K. Employee Benefit Expenses

Short Term Employee 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 Employment Benefits:

Defined Contribution Plans

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

Defined Benefit Plans

The gratuity liability of the holding 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.

L. 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.

M. Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income

will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. The concerned entities in the Group 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.

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 concerned entities in the Group 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 concerned entities.

N. Provisions, Contingent Liabilities 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 settle the obligation at the Balance Sheet date.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

O. 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.



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2 SHARE CAPITAL

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
A AUTHORIZED CAPITAL		
2,06,00,000 Equity Shares of ₹ 10/- each. (P.Y. 1,05,00,000)	2,060.00	1,050.00
2000000 Optionally Convertible Preference Shares of ₹10 each (P.Y. Nil)	200.00	-
40000 Redeemable Non-Cumulative Preference Shares of ₹100 each (P.Y. Nil)	40.00	-
TOTAL	2,300.00	1,050.00
B ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL		
Equity Share Capital		
1,21,49,218 Equity Shares of ₹ 10/- each fully paid-up. (P.Y. 58,64,350)	1,214.92	586.44
Preference Share Capital		
18,33,087 Optionally Convertible Preference Shares of ₹ 10 each (P.Y. Nil)	183.31	-
38,400 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (P.Y. Nil)	38.40	-
Total	1,436.63	586.44

2.1 Rights, Preferences and Restrictions attached to Shares:

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.

Optionally Convertible Preference Shares (OCPS)

- Convertible at the option of the holder within 18 months from the date of receipt of trading approval from BSE Limited.
- Equity Shares issued and allotted, pursuant to Conversion will be listed on the Stock Exchange.
- 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.

Redeemable Non Cumulative Preference Shares (RNPS)

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 earstwhile company (Amarjyot Chemical Limited) shall be reduced.

2.2 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 were allotted pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court.

2.3 32,76,288 Equity Shares of ₹ 10/- each were issued as bonus shares in F.Y. 2015-16.

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2.4 The Reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Shares outstanding at the beginning of the year	58,64,350.00	58,64,350.00
Add : Shares Issued during the year	62,84,868.00	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,21,49,218.00	58,64,350.00

2.5 The details of Equity Shareholders holding more than 5% Shares

Name of the Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No of Shares (Nos)	% of Holding	No of Shares (Nos)	% of Holding
Mr. Arvind K. Chheda	4,27,738	3.52	4,27,738	7.29
Mr. Bhanumati M. Savla	4,50,230	3.70	4,51,130	7.69
Mrs. Aarti R. Gogri	9,17,239	7.54	2,91,721	4.97
Mrs. Manisha R. Gogri	7,07,525	5.82	7,09,129	12.09
Mrs. Jaya C. Gogri	9,84,198	8.10	3,20,336	5.46
Mrs. Tarla Parimal Desai	8,37,827	6.90	1,56,190	2.66

3 RESERVES & SURPLUS

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Capital Reserve		
Opening Balance	7,846.30	1,436.02
Add: Pursuant to the Scheme of Merger	-	6,410.28
Closing Balance	7,846.30	7,846.30
b. General Reserve		
Opening Balance	1,375.12	69.85
Add: Transferred from Profit and Loss Account	1,389.85	1,305.27
Closing Balance	2,764.97	1,375.12
c. Surplus (Balance in Profit & Loss Account)		
Opening Balance	15,278.90	3,825.45
Add: Net Profit for the year	13,852.47	13,323.54
Less: Allocations and Appropriations		
Transferred to General Reserve	(1,389.85)	(1,305.27)
Dividend	(2,186.86)	(504.05)
Tax on Dividend	(449.52)	(60.76)
Closing Balance	25,105.15	15,278.90
TOTAL	35,716.42	24,500.32



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4 SHARE CAPITAL PENDING ALLOTMENT

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Share capital pending allotment pursuant to the Scheme of Merger		
- 62,84,868 Equity Shares of ₹10 each	-	628.49
- 18,33,087 Optionally Convertible Preference Shares of ₹10 each	-	183.31
- 38,400 Redeemable Non-Cumulative Preference Shares of ₹100 each	-	38.40
TOTAL	-	850.20

5 MINORITY INTEREST

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Share Capital in Dhanvallahb	0.18	0.18
Fixed Capital in Bharat Chemical	1,312.50	1,162.50
TOTAL	1,312.68	1,162.68

6 LONG TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Secured loan		
- Term Loans / ECB From Banks	7,975.31	2,179.35
b. Unsecured Loans		
From Related Parties	-	522.86
From Other Parties	391.83	1,723.63
TOTAL	8,367.14	4,425.84

6.1 Outstanding Term / Corporate Loans to the extent of ₹ 9,314.91 Lakhs are secured by way of Hypothecation of movable Fixed Assets & Current Assets, both present and future of the concerned entities in the Group.

6.2 Repayment Terms of Secured Term Loans and ECBs:

Particulars	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
ECB/ Term Loan/ Corporate Loan from Banks / Financial Institutions	2,538.08	2,098.74	2,064.37	1,274.12

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7 DEFERRED TAX LIABILITY (NET)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Opening Balance	1,286.44	366.89
Pursuant to the Scheme of Merger	-	742.94
Charge to the Statement of Profit and Loss	66.22	176.61
TOTAL	1,352.66	1,286.44

7.1 Components of Deferred Tax Liability (Net)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Deferred Tax Liabilities/(assets) in relation to:		
Property, Plant and Equipment	1,430.66	1,667.29
Disallowances under the Income Tax Act, 1961	(78.00)	(380.85)
TOTAL	1,352.66	1,286.44

8 LONG TERM PROVISIONS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Provision For Employees Benefits (Refer Note 26)	37.48	99.56
b. Other Long Term Provisions	145.90	159.31
TOTAL	183.37	258.87

9 SHORT TERM BORROWINGS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
Secured Loans from Banks (Bank Overdraft)		
- Loans Repayable on demand	2,573.37	1,845.56
- Others Borrowing	1,468.71	1,420.35
TOTAL	4,042.08	3,265.91

Working Capital Loans are secured by way of Hypothecation of movable Fixed Assets & Current Assets, both present and future of the concerned entities in the Group.



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10 TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st 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	8,788.70	7,428.36
TOTAL	8,788.70	7,428.36

There are no Micro and Small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information Available with the Company.

11 OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a. Current Maturity of Long Term Debt	1,339.60	571.60
b. Creditors for Capital Expenditure	1,971.99	-
c. Statutory Dues	80.30	87.09
d. Income Received in Advance	40.21	-
e. Other Payables	234.30	152.99
TOTAL	3,666.42	811.68

12 SHORT TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision For Employees Benefits (Refer Note 26)	335.88	242.93
Other Provisions	2.87	0.60
TOTAL	338.76	243.53

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13 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01/04/2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31/03/2020	As at 01/04/2019	Deductions/ Adjustments	For the Year	As at 31/03/2020	As at 31/03/2019	
		(₹ In Lakhs)									
I	Property, Plant and Equipment										
1	Land	1,722.98	964.00	-	2,686.98	31.81	-	14.64	46.45	2,640.53	1,691.17
2	Factory Building	2,851.27	2,152.67	-	5,003.94	498.25	-	151.31	649.56	4,354.38	2,353.02
3	Residential Building	35.85	-	-	35.85	7.23	-	1.14	8.37	27.48	28.62
4	Plant & Machinery	15,251.85	10,752.85	156.00	25,848.70	5,571.21	156.00	905.50	6,320.72	19,527.98	9,680.63
5	Power Plant	178.97	-	-	178.97	17.19	-	8.95	26.14	152.83	161.78
6	Electrical Installation	75.48	76.27	-	151.75	23.53	-	10.29	33.82	117.93	51.94
7	Laboratory Equipment	21.90	11.66	-	33.56	8.29	-	2.27	10.56	23.00	13.61
8	Furniture & Fixture	135.56	109.77	-	245.33	33.79	-	15.28	49.07	196.26	101.77
9	Vehicle	344.36	35.88	18.50	361.73	175.19	9.19	26.94	192.94	168.79	169.17
10	Computer	100.49	19.39	-	119.88	75.82	-	18.57	94.40	25.48	24.67
11	Office Equipment	76.76	30.88	-	107.64	43.59	-	12.72	56.32	51.32	33.16
	Sub-Total (I)	20,795.47	14,153.37	174.50	34,774.34	6,485.92	165.19	1,167.62	7,488.35	27,285.99	14,309.55
II	Intangible Assets										
	Technical Knowhow	150.00	-	-	150.00	150.00	-	-	150.00	-	-
	Software	2.97	1.16	-	4.12	0.12	-	1.21	1.33	2.79	2.85
	Goodwill	1,977.26	-	-	1,977.26	1,320.22	-	375.45	1,695.67	281.59	657.04
	Sub-Total (II)	2,130.22	1.16	-	2,131.38	1,470.34	-	376.67	1,847.00	284.38	659.89
	Total (I + II)	22,925.69	14,154.53	174.50	36,905.72	7,956.25	165.19	1,544.28	9,335.35	27,570.37	14,969.44
	Previous Year	20,653.59	2,296.11	24.01	22,925.69	6,609.30	17.17	1,364.12	7,956.25	14,969.44	
III	Capital Work-in-Progress										
										12,912.18	6,556.06

Borrowing Cost -

Borrowing costs of ₹ 283.29 Lakhs has been capitalised during the year (Previous year ₹ 187.20 Lakh)



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14 NON CURRENT INVESTMENTS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Trade Investments		
In Equity Shares - Quoted Fully Paid		
2,35,800 Aarti Industries Limited (FV ₹ 5/-) (P.Y. 2,16,400)	48.07	180.69
b. Other Investments		
i. In Equity Shares of Subsidiary		
Unquoted Fully Paid		
2,50,000 Valiant Speciality Chemical Limited (FV ₹10) (P.Y. Nil)	25.00	-
Others	0.05	-
ii. In Mutual Funds - Quoted Fully Paid		
1,000 SBI Mutual Funds	0.10	0.10
TOTAL	73.22	180.79

Market Value of Quoted Equity Shares as at 31st March 2020 is ₹ 1,808.00 Lakhs (P.Y. ₹ 3,414.03 Lakhs)

15 LONG TERM LOANS & ADVANCES

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Capital Advances	1,540.85	855.21
b. Security Deposit	631.38	282.85
c. Loan To Others:-		
Unsecured Considered Good	-	129.10
TOTAL	2,172.23	1,267.16

16 CURRENT INVESTMENTS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Trade Investments		
i. In Equity Shares - Quoted Fully Paid		
460 Axis Bank Limited (FV ₹2)	1.74	2.03
(460)		
4,500 Biocon Limited (FV ₹5)	6.09	8.02
(2,250)		
2,000 Bodal Chemicals Limited (FV ₹2)	0.85	3.54
(2,000)		
400 Elantas Beck India Limited (FV ₹10)	6.57	6.57
(400)		
2,750 Grasim Industries Limited (FV ₹2)	13.07	28.46
(2,750)		
1,100 HDFC Bank Limited (FV ₹2)	4.78	6.46
(555)		
7,500 HDFC Standard Life Insurance Co. Ltd. (FV ₹10)	26.46	26.46
(7,500)		
770 ICICI Bank Limited (FV ₹2)	1.74	1.74
(770)		
500 Mahanagar Gas Limited (FV ₹10)	4.09	5.70
(500)		

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16 CURRENT INVESTMENTS (CONTD.)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
5,000 Orchid Pharma Limited (FV ₹10) (5,000)	-	0.96
5,000 State Bank of India (FV ₹1) (5,000)	9.85	16.23
750 Sundaram Finance Limited (FV ₹10) (750)	9.00	13.17
5,750 Sundaram Finance Holdings Limited (FV ₹5) (5,750)	-	8.12
500 Torrent Pharmaceutical (FV ₹5) (500)	7.35	7.35
400 Va Tech Wabag Limited (FV ₹2) (400)	0.33	2.74
ii. In Mutual Funds - Quoted Fully Paid		
- Reliance Liquid Fund	-	145.00
- Reliance Money Market Fund Direct Growth	-	764.24
- Investment in Axis Banking & PSU Debt Fund	330.00	-
b. Other Investments		
In Equity Shares - Unquoted Fully Paid	-	0.05
TOTAL	421.93	1,046.84

Market Value of Quoted Equity Shares as at 31st March 2020 is ₹ 103.93 Lakhs (PY ₹ 146.61 Lakhs).

Market Value of Quoted Mutual Fund as at 31st March 2020 is ₹ 357.19 Lakhs (PY ₹ 911.96 Lakhs).

17 INVENTORIES

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Raw Material	2,408.91	2,402.64
b. Work-in-Progress	524.41	941.08
c. Finished Goods	1,275.12	1,295.19
d. Fuel	109.85	9.40
e. Stores & Spares	102.59	102.67
f. Packing Materials	65.54	40.01
TOTAL	4,486.43	4,790.99

18 TRADE RECEIVABLES

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Less than six months (Unsecured and Considered Good)	12,745.44	14,102.86
b. More than six months (unsecured and considered good)		
- Unsecured and Considered Good	514.00	34.91
- Unsecured Doubtful Debts	119.89	104.60
- Provision for Doubtful Debts	(119.89)	(104.60)
TOTAL	13,259.43	14,137.77



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19 CASH & CASH EQUIVALENTS

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
a. Cash on hand	14.49	17.64
b. Balances with Banks	1,253.47	346.14
TOTAL	1,267.96	363.78

Balances with Banks include Unclaimed Dividend of ₹ 2.87 Lakh (P.Y. ₹ 0.60 Lakh) and Fixed Deposits of ₹ 302.83 Lakhs (P.Y. ₹ 32.74 Lakhs) with maturity of less than 12 months.

20 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)

Particulars	(₹ In Lakhs)	
	As at 31 st March, 2020	As at 31 st March, 2019
- Balance With Revenue Authorities (Indirect Taxes)	2,065.94	1,341.67
- Advance to Supplier	337.18	-
- Advance Income Tax (Net of Provisions)	561.77	-
- Advance to Staff / Workers	44.53	29.71
- Prepaid Expenses	18.31	46.57
- Export Benefit Receivable	3.54	64.08
- Interest Receivable	1.58	1.58
- Other Receivables	8.24	23.79
TOTAL	3,041.09	1,507.40

21 REVENUE FROM OPERATION

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Revenue from Sale of Manufactured Products	62,468.61	62,342.82
b. Trading Sales	419.76	1,278.21
c. Sale of Services	4,604.98	5,609.22
TOTAL	67,493.35	69,230.25

21.1 REVENUE FROM OPERATIONS

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Sale of products comprises of		
i Manufactured goods		
- PNA	16,462.63	15,618.25
- PCP	12,752.92	12,397.68
- OA	8,124.39	6,649.00
- OCP	4,181.36	4,150.50
- 2,4 DCP	1,484.97	1,462.05
- Paracetamol	8,986.97	8,027.83
- Others	10,475.38	14,037.52
Total - Sale of Manufactured Goods	62,468.61	62,342.82

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

21.1 REVENUE FROM OPERATIONS (Contd.)

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
b Trading Sales		
Sale of Traded Goods	419.76	1,278.21
Total - Sale of Products	62,888.37	63,621.03
iii. Sale of services comprises of		
Conversion Charges	4,604.98	5,609.22
Total - Sale of Services	4,604.98	5,609.22
Total - Operating Revenues	67,493.35	69,230.25

22 OTHER INCOME

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Interest Income	31.98	51.91
b. Dividend Income	21.27	14.35
c. Net gain/loss on sale of investments	1,598.87	385.21
d. Other non-operating income	485.45	421.22
TOTAL	2,137.57	872.69

23 COST OF MATERIALS CONSUMED

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
A. Raw Material		
Opening Stock	2,436.91	2,397.22
Purchase	34,611.79	38,512.41
Closing Stock	2,408.91	2,436.91
Raw Material Consumption	34,639.79	38,472.72
B. Packing Materials		
Opening Stock	40.01	45.29
Purchase	864.82	686.47
Closing Stock	65.54	40.01
Packing Material Consumption	839.29	691.75
C. Fuel & Diesel Exp		
Opening Stock	9.40	30.83
Purchase	2,704.56	2,258.86
Closing Stock	109.85	10.30
Fuel Consumption	2,604.11	2,279.39
D. Stores & Spare		
Opening Stock	102.67	85.56
Purchase	436.28	328.59
Closing Stock	102.59	101.77
Stores & Spares Consumption	436.36	312.37
TOTAL	38,519.55	41,756.23



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for the year ended 31st March, 2020

23.1 COST OF MATERIALS CONSUMED

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Phenol	6,029.89	7,021.37
b. PNCB	5,347.44	8,223.20
c. ONA	5,354.12	4,987.18
d. Hydrogen Gas	1,134.22	1,462.46
e. Others	20,653.89	20,062.03
TOTAL	38,519.56	41,756.24

24 PURCHASE OF STOCK IN TRADE

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Purchase of Trading Goods	390.13	1,142.10
TOTAL	390.13	1,142.10

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

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Finished Goods		
- Closing Stock	1,275.12	1,295.19
- Opening Stock	1,295.19	1,099.66
Sub-Total (A)	20.06	(195.52)
b. Work -In- Progress		
- Closing Stock	524.41	906.81
- Opening Stock	906.81	839.58
Sub-Total (B)	382.40	(67.23)
TOTAL	402.47	(262.75)

26 EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Salaries & Wages	1,986.54	1,659.52
b. Contribution to Provident fund & Other Funds	155.88	51.63
c. Staff Welfare Expenses	170.99	137.15
TOTAL	2,313.41	1,848.31

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

Defined Benefit 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

a. Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Defined Benefit Obligation at the Beginning of the year	175.46	145.59
Current Service Cost	17.10	13.82
Interest Cost	13.67	11.51
Actuarial (Gain)/Loss	25.95	9.46
Benefits Paid	(2.54)	(4.92)
Benefit Obligation at the End of the Period	229.64	175.46

b. Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Fair Value of Plan Assets at the Beginning of the year	94.01	45.51
Expected Return on Plan Assets	7.32	3.57
Actuarial Gain/(Loss)	(8.34)	(0.98)
Contributions by the Employer	40.00	46.99
Benefit Paid	(0.98)	(1.08)
Fair Value of Plan Assets at the End of the Period	132.01	94.01

c. Reconciliation of fair value of Assets and Obligations

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Present Value of Obligation	229.64	175.46
Fair Value of Plan Assets	132.01	94.01
Amount recognised in Balance Sheet	97.62	81.45

d. Expenses recognised during the year

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Current Service Cost	17.10	13.82
Net Interest Cost	6.35	7.94
Actuarial (Gains)/Losses	34.28	10.44
Expenses Recognized in the Statement of Profit or Loss	57.73	32.20

e. Investment Details

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Insurance Fund		
Amount Invested	132.01	94.01
% Invested	100%	100%



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for the year ended 31st March, 2020

f. Actuarial assumptions

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Discount Rate (per annum)	0.07	0.08
Expected Rate of Return on plan assets (per annum)	0.07	0.08
Rate of escalation in Salary (per annum)	0.05	0.05
Rate of Employee Turnover	0.02	0.02

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion, other relevant factor's including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

27 FINANCE COST

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
a. Interest Expenses	224.16	354.09
b. Other Borrowing Costs	-	13.57
TOTAL	224.16	367.65

28 OTHER EXPENSES

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Manufacturing Expenses		
Consumption of Power & Steam	2,083.28	1,574.65
Freight Octroi & Cartage	526.08	441.78
Repair & Maintenance		
- Building	85.93	69.24
- Plant & Machinery	1,217.33	941.62
Conversion Charges	39.95	46.32
Insurance Charges	42.13	52.10
Water & Drainage Charges	111.77	87.76
Effluent Treatment Plant	645.34	502.15
Boiler Operating cost	265.08	-
Labour Charges	985.99	984.48
Loading & Unloading Exp	294.98	357.12
Safety & Security Charges	43.18	50.83
Laboratory Expenses	27.88	17.47
Consultancy Charges (Mfg)	132.23	55.63
Other Manufacturing Expenses	52.80	64.59
Sub-Total (A)	6,553.94	5,245.74

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

28 OTHER EXPENSES (CONTD.)

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Selling & Distribution Expenses		
Advertising Exps	11.14	16.61
Freight & Forwarding Charges	559.07	566.51
Bad Debts Written Off	15.29	77.69
Export Expenses	4.81	5.50
Bank Commission	18.15	38.14
Commission on Sales	82.66	60.83
Discount Allowed	30.55	30.81
Other Selling & Distribution Expenses	12.50	25.04
Sub-Total (B)	734.18	821.13
Office & Administrative Expenses		
Legal & Professional Fees	129.44	121.61
Auditors Remuneration (Refer Note No. 28)	11.01	9.68
Printing & Stationery	31.69	25.05
Consultancy Charges	0.77	11.03
Travelling & Conveyance Expenses	19.11	16.76
Vehicle Expenses	26.26	31.68
Telephone, Courier & Postage Charges	15.97	14.75
Other Office & Administrative Expenses	211.70	246.27
Sub-Total (C)	445.94	476.84
Non Operating Expenses		
Donation		
- CSR Activity	165.81	97.75
- Other Donations	4.44	4.26
Unrealised Loss on Investment	45.62	-
Loss on Sale of Assets	1.00	-
Realised (Gain)/Loss on Sale of Investment	-	120.10
Other Non-Operating Expenses	5.84	-
Sub-Total (D)	222.71	222.11
TOTAL (A+B+C+D)	7,956.77	6,765.82

28.1 Earnings in Foreign Currency

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
FOB Value of Exports	8,602.12	7,394.13
TOTAL	8,602.12	7,394.13



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for the year ended 31st March, 2020

28.2 Value of Imports on CIF Basis

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Raw Materials and Stock-in-Trade	10,508.51	5,871.40
Capital Goods	90.98	-
TOTAL	10,599.49	5,871.40

28.3 Cost of Materials Consumed

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Imported	10,556.56	11,305.48
Indigenous	27,962.99	30,450.75
TOTAL	38,519.55	41,756.23

28.4 Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Travelling Exp	2.73	-
TOTAL	2.73	-

29 AUDITOR'S REMUNERATION

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Auditors Remuneration		
- For Statutory Audit	10.69	7.00
- For Out of Pocket Expenses	0.32	0.42
TOTAL	11.01	7.42

30 CONTINGENT LIABILITIES AND COMMITMENTS

(To the extent not provided for)

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
i. Contingent Liabilities		
- Letter of Credit, Bank Guarantees & Bills discounted	767.89	44.71
ii. Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	2,657.95	2,081.71
TOTAL	3,425.84	2,126.43

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

31 EARNING PER SHARE (EPS)

(₹ In Lakhs)

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Profit for the year before the impact of scheme of merger	13,852.47	12,126.95
Profit for the year After the impact of scheme of merger	13,852.47	13,323.54
The Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.)	1,21,49,218	1,21,49,218
The Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.)	1,39,82,305	1,39,82,305
Nominal Value of Equity Share (in ₹)	10.00	10.00
Basic Earnings Per Share (in ₹)		
- Before impact of scheme of merger	114.02	99.82
- After impact of scheme of merger	114.02	109.67
Diluted Earnings Per Share (in ₹)		
- Before impact of scheme of merger	99.07	86.73
- After impact of scheme of merger	99.07	95.29

*For the purposes of computation of basic earning per share for FY 2018-19 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 share for FY 2018-19 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.

31.1 Number of Shares for Computation of EPS

Particulars	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Basic EPS		
Existing (nos.)	1,21,49,218	58,64,350
On Merger - Equity Shares (nos.)	-	62,84,868
Total (Nos.)	1,21,49,218	1,21,49,218
Diluted EPS		
Existing (nos.)	1,21,49,218	58,64,350
On Merger - Equity Shares (nos.)	-	62,84,868
OCPS (convertible into Equity in the ratio of 1:1) (nos.)	18,33,087	18,33,087
TOTAL (Nos.)	1,39,82,305	1,39,82,305



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32 SEGMENT REPORTING

As per Accounting Standard (AS) 17 on "Segment Reporting"

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

(₹ In Lakhs)		
Segment Revenue	31 st March, 2020	31 st March, 2019
a) Exports	8,601.12	7,394.13
b) In India	58,891.23	61,836.11
Total	67,493.35	69,230.25

33 DIVIDEND

The company paid dividend of ₹ 18 per share during the year. Of this, ₹ 11 (of ₹ 10/- each) per share was interim dividend for FY 19-20 and ₹ 7 per share (of ₹ 10/- each) was the final dividend for the FY 18-19. The total amount of dividend pay-out during the year is ₹ 2,636.37 Lakhs (Previous Year: ₹ 564.81 Lakhs) including DDT.

34 CORPORATE SOCIAL RESPONSIBILITY

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 ₹165.81 Lakh (Previous Year ₹97.75 Lakh).

35 MERGER OF AMARJYOT CHEMICAL LIMITED WITH THE COMPANY

In the previous year, the Scheme of Amalgamation ("Scheme") between the Company and Amarjyot Chemical Limited with an appointed date of 1 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 fair values from the appointed date.

The said Scheme received the approval of the Hon'ble National Company Law Tribunal (Mumbai Bench) on 8 March 2019 and subsequent to approvals by other relevant regulatory authorities; the Scheme became effective on 19 April 2019. Since the Scheme received all the requisite approvals after the financial statements for the year ending 31 March 2018 were authorised by the shareholders, the impact of amalgamation has been given in the previous financial year with effect from the appointed date.

In accordance with the provisions of the aforesaid Scheme

The approved share swap ratio was 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 and 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 ₹ 850.20 lakhs, the Company allotted and issued 64,82,868 equity shares of ₹ 10 each, 18,33,087 OCPS of ₹ 10 each and 38,400 RNPS of ₹ 100 each to the shareholders of erstwhile Amarjyot Chemicals Limited in May 2019.

The amalgamation was accounted under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the NCLT.

The transfer of assets and liabilities of Amarjyot Chemical Limited was affected from "appointed date" of 1 October 2017 as defined in the Scheme.

Book value of assets and liabilities acquired from Amarjyot Chemical Limited aggregated to ₹ 7,370.42 lakhs. The total purchase consideration paid was ₹ 850.20 lakhs. The Company recognised resultant Capital Reserve of ₹ 6,410.28 lakhs after adjustment of ₹ 84.94 Lakhs for Goodwill (on earlier acquisitions) on account of alignment of accounting policies and cancellation of investment by Company in Amarjyot Chemical Limited (₹ 25,00,000) prior to amalgamation.

Profit of Amarjyot Chemical Limited for the period beginning from 1st October 2017 till 31st March 2018 of ₹ 1,196.59 Lakhs had been recognised in FY 2018-19 as a separate line item after profit for the year 2018-19 (before the impact of the scheme of merger).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

36 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the Enterprise	Net Assets i.e. total assets minus total liability		Share in profit & Loss	
	Amount in Lakh	Amount in Lakh	Amount in Lakh	Amount in Lakh
Parent				
Valiant Organics Limited (A)		37,153.05		13,852.47
Subsidiaries				
Indian				
1 Dhanvallabh Venture LLP		0.50		217.66
2 Bharat Chemicals (Through Dhanvallabh Ventures LLP as partner)		3,500.00		332.36
3 Valiant Speciality Chemical Limited		0.25		
Less : Eliminations (Other than Holding Company)		(2,188.08)		(349.20)
Minority Interest (B)		1,312.68		200.82
Less : Minority Interest Shown Separately (B)		(1,312.68)		(200.82)
TOTAL		37,153.05		13,852.47

Notes

Net Assets of Partnership firms represents total fixed capital of partners. current account of partners are reflected in short term borrowings in consolidated financial statements

Profit attributable to minority interest is reflected in current account of partners as subsidiaries entities are partnership firms

Holding Company being partner, its share of profits in subsidiaries entities is reflected in its standalone financial statements

37 PREVIOUS YEAR FIGURES

Figures for the previous year have been regrouped wherever necessary.

38 RELATED PARTY DISCLOSURE

I 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.

- i. Novel Spent Acid Management
- ii. Shanti Intermediates Pvt.Ltd.

II 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.

Name of the Related Party	Relationship
1. Mr. Arvind K. Chheda	Managing Director (From 19 Th April-2019, Whole time Director Till 19 Th April-2019)
2. Mr. Hemchand L. Gala	Chairman / Managing Director (Till 19 Th April-2019)
3. Mr. Vishnu J. Sawant	Whole time Director
4. Mr. Mahek M. Chheda	Whole time Director



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for the year ended 31st March, 2020

Name of the Related Party	Relationship
5. Mr. Mahesh M. Savadia	Whole time Director
6. Mr. Dinesh S. Shah	Whole time Director
7. Mr. Bijal D. Modi	Director
8. Mr. Bhavesh D. Seth	Director (In the erstwhile Amarjyot Chemical Ltd, Till 19 th April 2019)
9. Mr. Pankaj S. Shah	Relative of Director
10. Mr. Siddharth D. Shah	Relative of Director
11. Mr. Nemin M. Savadia	Relative of Director
12. Ms. Vyoma Vyas	Company Secretary

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

Description of Transaction	Year	Other Related Enterprises (I)	Key Management Personnel and their relatives (II)
			(₹ In Lakhs)
Sale of Goods	CY	375.24	-
	PY	447.95	-
Receipt of Services	CY	144.88	-
	PY	110.08	-
Investment during the year	CY	-	-
	PY	-	-
Outstanding items pertaining to the related parties at the balance sheet date: Receivable/(Payable)	CY	76.23	101.44
	PY	27.52	692.30

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

Description of Transaction	(₹ In Lakhs)	
	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Directors/ KMP Remuneration	166.46	141.20
Commission to Directors	90.00	185.22
Total	256.46	326.43

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 :- 8th May, 2020

For and on behalf of the Board

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 15th Annual General Meeting of the Members of **VALIANT ORGANICS LIMITED** will be held on Tuesday, September 29, 2020 at 11:30 a.m. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt:
 - a) The Audited Standalone Financial Statements of the Company for the Financial year ended March 31, 2020, together with the Reports of the Board of Directors' and Auditors thereon; and
 - b) The Audited Consolidated Financial Statements of the Company for the Financial year March 31, 2020, together with Report of the Auditors thereon.
- 2) To appoint a Director in place of Shri Mahesh M. Savadia (DIN: 00128389), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Vishnu J. Sawant (DIN: 03477593), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- 4) 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 Velji K. Gogri (DIN No: 02714758), Independent Director of the Company, who was appointed as an Additional Director in the category of Independent Director w.e.f July 05, 2020 be and is hereby re-appointed as the Independent Director of the Company, not liable to retire by rotation, for a second term for a further period of (3) three years with effect from July 06, 2020."

"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."

- 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 provisions of Sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration committee of the Board, and subject to other approvals, if any, the consent of the Company be and is hereby given to the revised terms of Remuneration payable to Shri Vishnu J. Sawant (DIN : 03477593), Shri Bijal D. Modi (DIN : 00616848) and Shri Mahesh M. Savadia (DIN : 00128389) w.e.f April 1, 2020 for the remainder of their tenure as under:

Sr. No.	Name of Directors	Designation	Remuneration per annum (₹ In Lakhs)
1.	Shri Vishnu J. Sawant	Whole time Director	18
2.	Shri Bijal D. Modi	Whole time Director	15.80
3.	Shri Mahesh M. Savadia	Whole time Director	9

"RESOLVED FURTHER THAT except the change as stated hereinabove, other terms & conditions of the appointment shall remain unchanged."

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

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **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 Mahek M. Chheda as the Whole time Director w.e.f April 01, 2020 and (b) the reappointment of Shri Mahek M. Chheda (DIN: 06763870) as the Whole time Director, designated as Executive Director of the Company, for a period of 3 (Three) years w.e.f July 06, 2020 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 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.”

- 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 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 ending March 31, 2021, be and is hereby approved, ratified and confirmed.”

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

By order of the Board

Sd/-
CS Vyoma Vyas
Company Secretary
ICSI M.NO. A45555

Place: Mumbai
Date: August 28, 2020

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) will be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 15th AGM shall be the Registered Office of the Company.
2. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the body corporate can attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.



6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice calling the AGM along with Annual Report has been uploaded on the website of the Company at www.valiantorganics.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and SEBI circular dated May 12, 2020.
 8. The members seeking any information with regards to accounts or any other matters to be placed at the AGM, are requested to write to the Company in advance through email at investor@valiantorganics.com. The same will be replied by the Company suitably.
 9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 7 above is annexed hereto and forms part of the Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of the director proposed to be appointed is set out in the Explanatory Statement to this Notice
 10. All documents referred to in the accompanying notice and the explanatory statements are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. For obtaining these copies through electronic means Members may write to the Company Secretary by sending an email to investor@valiantorganics.com till the date of the AGM.
 11. Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited (RTA), immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.
 12. 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 IFSC 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.
 13. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
 14. 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 email 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 email addresses to the M/s. Link Intime India Private Limited sending an e-mail at rnt.helpdesk@linkintime.co.in or to the Company at investor@valiantorganics.com
 15. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**
- The voting period begins on Saturday, September 26, 2020 at 9:00 AM and ends on Monday, September 28, 2020 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, September 22, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- How do I vote electronically using NSDL e-Voting system?**
- The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below
- Step 1: Log-in to NSDL e-Voting system at**
<https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’
 - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.



3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Corporate members intending to attend the meeting through their authorised representatives are requested to send to the Company a duly certified scanned copy of the Board or governing body Resolution/ Authorisation etc., authorizing their representatives to attend and to vote on their behalf at the meeting electronically to the Scrutinizer by e-mail to sunil@sunildedhia.com with a copy marked to evoting@nsdl.co.in.
2. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 15th AGM through VC/OAVM.
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, with respect to remote e-voting or e-voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or can contact NSDL on evoting@nsdl.co.in or contact Further, please find below details of NSDL officials for queries
Mr. Amit Vishal, Senior Manager, NSDL, 022 2499 4360 (contact No.) or email at amitv@nsdl.co.in
Ms. Pallavi Mhatre, Manager, NSDL, 022 2499 4545 (contact No.) or email at pallavid@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@valiantorganics.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@valiantorganics.com.
3. Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM However, they will not be eligible to vote at the AGM. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as "INVALID"
4. The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting and reproduced hereunder for convenience;
Mr. Amit Vishal, Senior Manager, NSDL, 022 2499 4360 (contact No.) or email at amitv@nsdl.co.in
Ms. Pallavi Mhatre, Manager, NSDL, 022 2499 4545 (contact No.) or email at pallavid@nsdl.co.in

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com/> under shareholder/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Personal Computer/ Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio number, email id, mobile number at investor@valiantorganics.com at least 5 days before the date of AGM. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Shareholders can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address mentioning their name, demat account number/folio number, email id, mobile number at investor@valiantorganics.com at least 5 days before the date of AGM. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

7. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied by the Company suitably.
8. Since the AGM will be held through VC/OAVM in accordance with the Circulars mentioned above, the route map, proxy form and attendance slip are not attached to this Notice. With the Circulars mentioned above, the route map, proxy form and attendance slip are not attached to this Notice.

OTHER INSTRUCTIONS

1. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, September 22, 2020 are entitled to vote on the Resolutions, set forth in this Notice.
2. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the 'cut-off date' of Tuesday, September 22, 2020.
3. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
4. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
5. CS Sunil M. Dedhia, Practicing Company Secretary (ICSI M. No. F3483) has been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
6. The Scrutiniser shall, after scrutinizing the votes, within forty eight hours from the conclusion of the Meeting, submit a consolidated scrutinizer's report thereon to the Chairman or a person authorised by him in writing which will be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

Registered Office:
109 UdyogKshetra,
1st Floor, Mulund-Goregaon Link Road,
Mulund (W), Mumbai.

Place: Mumbai
Date: August 28, 2020

By order of the Board

Sd/-
CS Vyoma Vyas
Company Secretary

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

Particulars	Shri. Velji Karamshi Gogri (DIN : 02714758)	Shri. Mahek Manoj Chheda (DIN : 06763870)
Date of birth and age.	14.10.1951 (68 Years)	11.11.1990(29 years)
Appointed on.	06.07.2017	06.07.2017
Qualifications.	He is a Chemical Engineer from IIT Mumbai.	He is a BSC Business graduate from a college affiliated with University of London.
Experience and expertise in specific functional areas.	Shri. Velji Karamshi Gogri is a chemical Engineer from IIT Mumbai with overall experience of 37 years Chemical Industry. He has established number of bulk drugs, intermediate & fine chemicals manufacturing units. He possesses good knowledge of Chemical Process, equipment and safe handling of chemicals. Shri. Velji Karamshi Gogri was also on the Board of "Tarapur Environment Protection Society" from the year 2004 to 2009 and also Associated with Industrial Safety Committee of Tarapur Industry Manufacturing association.	He is a dynamic young professional. He has worked with Aarti Industries Limited for more than 2 years and has good experience in the area of marketing & business development.
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.	4,650	33,600

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

Item Nos. 4

Shri Velji K.Gogri, Independent Director of the Company is a chemical Engineer from IIT Mumbai with overall experience of 37 years in Chemical Industry. He possesses good knowledge of Chemical Process, equipment and safe handling of chemicals. He has been an independent Director of the Company since 2017. Resume of Shri Velji K. Gogri is given in the Brief Resume of Directors seeking Appointment / Re-appointment.

Shri Velji K.Gogri had been appointed as the Independent Director not liable to retire by rotation in terms of applicable provisions of the companies Act, 2013, which first term ended on July 05, 2020 and he, being eligible and recommended by the Nomination and Remuneration Committee, his appointment is sought to be approved for re-appointment as Independent Director, not to liable to retire by rotation, for the second term of three years effective from July 06, 2020. His reappointment as Independent 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 the Director, 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 given 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 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 Velji K. Gogri as an Independent Director 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 Velji K. Gogri is interested in the said resolutions pertaining to his reappointment. His 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 Nos. 5

Based upon the Performance of the Company and the Executive Directors, Nomination & Remuneration Committee and Board approved the revised remuneration payable to the Shri Vishnu J. Sawant (DIN : 03477593), Shri Bijal D. Modi (DIN : 00616848) and Shri Mahesh M. Savadia (DIN : 00128389), Whole time Directors with effect from April 1, 2020 for the remainder of their tenure as such as set out in the resolution at Item No. 5 of the accompanying Notice subject to the approval of the shareholders. All other terms & conditions of the appointment of Shri Vishnu J. Sawant (DIN : 03477593), Shri Bijal D. Modi (DIN : 00616848) and Shri Mahesh M. Savadia (DIN : 00128389), Whole time shall remain same. Your Directors recommend the resolution for your approval as an Ordinary Resolution.

Shri Vishnu J. Sawant (DIN : 03477593), Shri Bijal D. Modi (DIN : 00616848) and Shri Mahesh M. Savadia (DIN : 00128389), Whole time Directors are interested in the said resolution pertaining to their remuneration.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item Nos. 6

Shri Mahek M. Chheda has been the Whole-time Director of the Company since July 06, 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 his terms of remuneration w.e.f April 01, 2020 and further also re-appointed him as the Whole time Director of the Company for the 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 Mahek M. Chheda is given under the head Brief resume of Directors seeking appointment/re-appointment.

1. Period of Agreement : 06.07.2020 to 05.07.2023
2. Remuneration :
 - (a) Salary: Salary of ₹ 15,00,000/- (Rupees Fifteen Lakhs Only) per annum.



- (b) Perquisites/allowances: He will be entitled to reimbursement of telephone bills and Bonus 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.
- (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
3. 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 subject to overall ceiling limit specified under the Act read with Schedule V thereto.
4. 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.
5. No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.
6. The said appointment/agreement 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.
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 Mahek M. Chheda is interested in the said resolution pertaining to his appointment 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 Nos. 7

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 2020- 2021 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 28, 2020 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.

Registered Office:
109 UdyogKshetra,
1st Floor, Mulund-Goregaon Link Road,
Mulund (W), Mumbai – 400 080.

Place: Mumbai
Date: August 28, 2020

By order of the Board

Sd/-
CS Vyoma Vyas
Company Secretary



Valiant Organics Limited

Stock Ticker - BSE: 540145
CIN: L24230MH2005PLC151348

Regd. Office:

109, Udyog Kshetra, 1st Floor,
Mulund-Goregaon Link Road,
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