Annual Report
2020-21

Valiant Organics Limited

Marching ahead
with renewed optimism

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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 2020-21: Key Figures

₹ 591 Crores
Total Revenues

₹ 71 Crores
Exports

₹ 174 Crores
EBITDA

₹ 115 Crores
Profit After Tax

₹ 422 Crores
Net Worth

29.46 %
EBITDA Margin

Note: Figures are on a standalone basis.

While the past year has been unprecedented for us, just as it has been for businesses globally, there is a renewed hope and optimism as we move into the new normal. What gives us confidence is our resilient business model and ability to integrate operations, develop in-house process technology and enhance production capacities to gain strength and shape a brighter future. Amidst the current economic uncertainties, we are hopeful and optimistic of achieving high growth by leveraging our core capabilities, enhancing manufacturing capacities, augmenting product portfolio, and improving efficiencies.

We are committed towards superior value creation and to building the Valiant of tomorrow. We are nurturing our spirit by boosting our production capacities through organic growth, establishing our market leadership, and gaining strength and scale to serve the customer demands.

Though challenges persist in the near-to-medium-term, but we desire to benefit from the evolving industry dynamics and growing opportunities in the post-COVID world. By making notable progress on the initiatives, we had set out to accomplish, we intend to capture the thriving opportunities and secure a stronger future.

Who We Are

We are a specialty chemicals manufacturing company in India, backed by a legacy of 35 years, having established a reputation of being a highly reliable supplier and a diversified product player, one that is capable of not only meeting but also foreseeing market needs.

We have established an all-encompassing domain expertise in manifold process chemistries including Chlorination, Ammonolysis, Acetylation, Hydrogenation, Sulphonation and Methoxylation. We produce a range of high-quality products that are used as intermediates in varied industries. Commitment to business superiority has cemented our standing as a favoured supplier of choice for our esteemed customers.

Our Key Strengths

ROBUST BUSINESS MODEL

Our domain expertise in multiple chemistries, healthy business model is supported by a comprehensive product portfolio and client base distributed across multiple industries and countries, which lowers our product, industry, and geographical intensity risk.

DOMAIN KNOWLEDGE

We constantly meet the perpetually advancing business mandates by our domain know-how and widespread process knowledge in numerous chemistries. The management team comprises first generation technocrats with a combined experience of more than 50 years.

INTEGRATED OPERATIONS

Our multi-use plants empower us to manufacture an array of products and tailor them as per clients' diverging needs, technical qualifications, batch sizes, and delivery plans.

WIDESPREAD SUPPLY CHAIN

Our widespread and distinct supply chain, combined with backward integrated operations, ensures uninterrupted availability of adequate and quality raw materials and continual production.

STRONG CUSTOMER RELATIONS

High-quality products, advanced manufacturing capacities, and invention-driven value-added competencies have led us to expand multi-year relationships with our customers in domestic as well as overseas marketplaces.

STRATEGIC LOCATION OF PLANTS

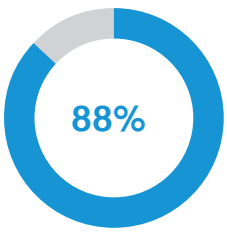
Our manufacturing plants are deliberately situated near the ports, offering a locational advantage, significant logistical cost efficiencies and better delivery timelines.

DISTINCT PRODUCT PORTFOLIO

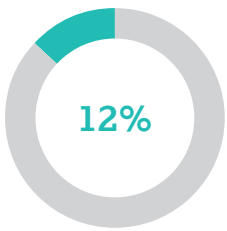
We fabricate a comprehensive portfolio of products used as intermediates in several end-user industries, and several value-added products.

REVENUE BREAK-UP

Domestic



Exports



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
- IPPCA
- Meta Chloro Aniline
- Para Amino Phenol
- Ortho Amino Phenol

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

At Valiant Organics Limited, we demonstrated powerful business resilience and agility on the back of our strong fundamentals, integrated operations, and manufacturing and technical capabilities.

Dear Shareholders,

Trust you all are safe and doing well amidst the unprecedented times. The COVID-19 pandemic has ravaged millions of lives and economies across the world. On behalf of the Board, I offer my deepest condolences to the bereaved families and gratitude to healthcare professionals around the world.

The Indian economy was severely impacted on account of the contraction of the economic activity following the nationwide lockdown. Despite the near-to-medium-term challenges, the long-term fundamentals of the economy seem robust. Government's fiscal support package and policy reforms under the 'Atmanirbhar Bharat Abhiyan', along with successful vaccination drives will be key in reinvigorating the economy; however, the intensity and depth of the second wave of coronavirus infections may derail the economic recovery.

At Valiant Organics Limited, we demonstrated powerful business resilience and agility on the back of our strong fundamentals, integrated operations, and manufacturing and technical capabilities. Amidst the current economic uncertainties, we are hopeful and optimistic of capturing the emerging market dynamics and cater to the customer demands.

BUSINESS PERFORMANCE

The broad-based slowdown in the Indian economy following the advent of the COVID-19 pandemic, led to temporary shutdown of our manufacturing facilities. During this period, we also faced significant supply chain and logistical challenges in movement of goods and manpower. However, we swiftly resumed operations in mid-April post normalisation of economic activities, and worked towards effective plant utilisation as well as complete well-being of our employees.

Our total revenue for the year stood at ₹ 591 Crores as compared to ₹ 589 Crores in the previous year. Net Profit stood at ₹ 115 Crores as against ₹ 124 Crores in the previous year, marking a de-growth of 7%. EBITDA stood at ₹ 174 Crores as compared to ₹ 179 Crores in the previous year. Our debt equity ratio remained constant as last year at 0.28x.

We export our products to various geographies across the globe, which contributes nearly 12% to our revenues. During the year, our exports registered a stable performance.

We implemented rigorous standard operating protocols across our manufacturing facilities and workplaces to safeguard the health and well-being of our employees. Notable measures included regular sanitisation of our facilities, temperature scanning, wearing of masks and gloves, and ensuring social distancing. We also adopted work from home culture by providing adequate systems and connectivity to our employees to ensure business continuity.

LEVERAGING OUR CAPABILITIES

Being a leading specialty chemicals manufacturer, we are well positioned to capitalise on the thriving opportunities by significantly leveraging our operations, expanding capacities, and broadening our offerings. Our competent and highly qualified team with vast expertise and experience enable us to take advantage of the evolving dynamics and deliver consistent growth.

Throughout the year, we continued to focus on consolidating our operations by integrating the processes and moving up the value chain. Astute manufacturing helps us cater to diverse customer needs efficiently, while achieving economies of scale and improving our cost efficiency. In addition, our superior R&D edge and fully integrated manufacturing processes enable us to develop margin-accretive downstream products and value-added import substitutes, providing tremendous opportunities to grow.

You would be delighted to know that we completed the expansion of ammonolysis capacity at Vapi plant. We also completed expansion of Phase I of Para Amino Phenol (PAP), while the expansion of Ortho Amino Phenol (OAP) is still in process. PAP has been identified as key intermediates of pharmaceutical products.

We have commenced preparation on the production of drug intermediates. Our strategy is to produce drug intermediates to reduce the imports of these products. On the other hand, we have been increasingly considering forward integration of Paracetamol in the future. All these will enable us to cater to the growing demand for drug intermediates and APIs in the end-user industries, particularly, the pharmaceuticals industry.

BUSINESS OUTLOOK

The Government's powerful 'Atmanirbhar Bharat Abhiyan' will be fundamental in promoting domestic manufacturing and increasing India's self-reliance, thus presenting enormous opportunities. Moreover, China's competitive position in the global markets has been diminishing in the past few years on account of stringent environmental and safety norms and shutdown of chemical plants. In the wake of the COVID-19 pandemic, many companies across the globe are scouting for new alternate vendors. A unique combination of talented manpower and low-cost production makes India an ideal production and supply chain hub for global markets.

Throughout the year, we continued to focus on consolidating our operations by integrating the processes and moving up the value chain

India's specialty chemicals industry is poised to grow rapidly due to varied applications and rising demand from the end-user industries. We are well prepared to encapsulate the growing opportunities and become a leading player in specialty chemicals by harnessing our dynamic capabilities. With our prudent strategies, we are hopeful about surpassing the challenges and marching ahead with optimism to deliver sustainable growth and enhanced value for all our stakeholders.

CONCLUSION

In closing, I would like to thank our esteemed stakeholders, our shareholders, our customers, our suppliers, our business partners, and our family of dedicated employees for their unstinted trust and support in these difficult times.

Warm Regards,

Arvind Kanji Chheda

Managing Director

Board of Directors

Shri Chandrakant V. Gogri

Chairman Emeritus

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.

Shri Velji K. Gogri
Chairman - Independent Director

Shri Arvind K. Chheda
Managing Director

Shri Mahesh M. Savadia
Director

Shri Bijal D. Modi
Director

Shri Dineshkumar S. Shah
Director

Shri Vishnu J. Sawant
Director

Shri Mahek M. Chheda
Director

Shri Dattatray S. Galpalli
Non-Executive Director

Shri Sathiababu Krishnan Kallada
Non-Executive Director

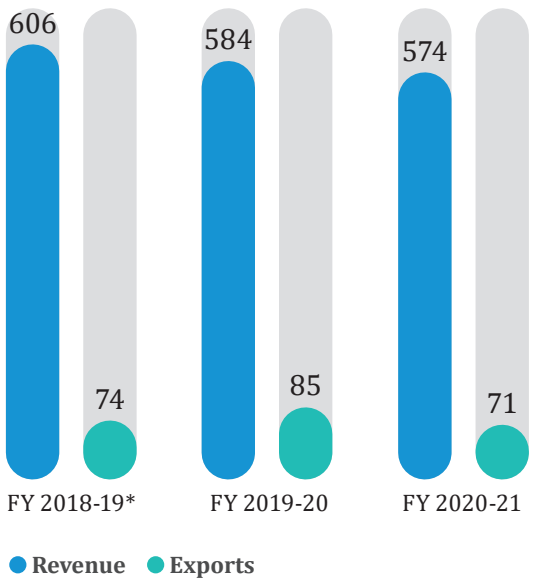
Shri Mulesh M. Savla
Independent Director

Shri Dhirajlal D. Gala
Independent Director

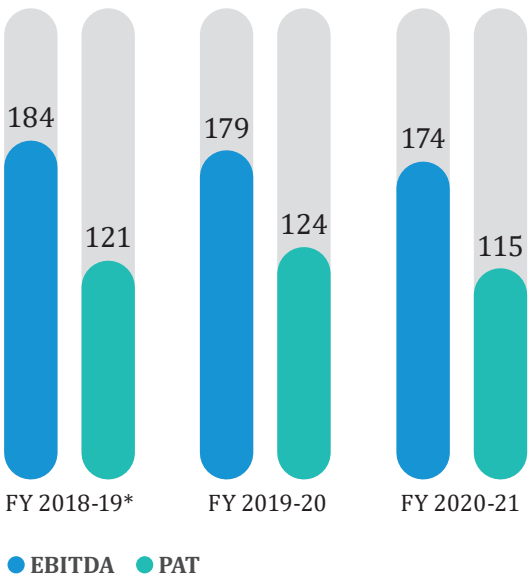
Smt. Jeenal K. Savla
Independent Director

Our Financial Scorecard

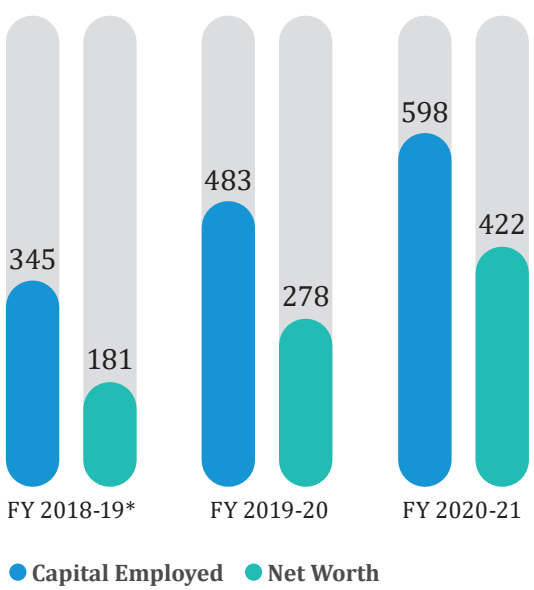
REVENUE AND EXPORTS (₹ Crores)



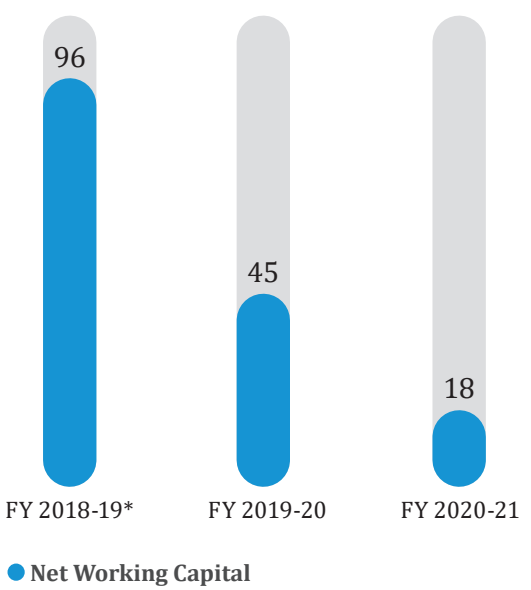
EBITDA AND PAT (₹ Crores)



CAPITAL EMPLOYED AND NET WORTH (₹ Crores)

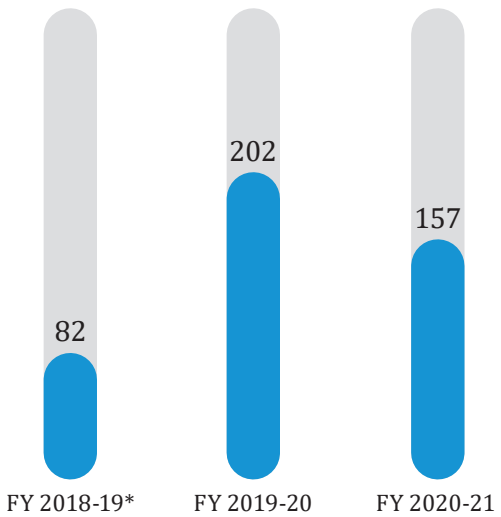


NET WORKING CAPITAL (NWC) (₹ Crores)

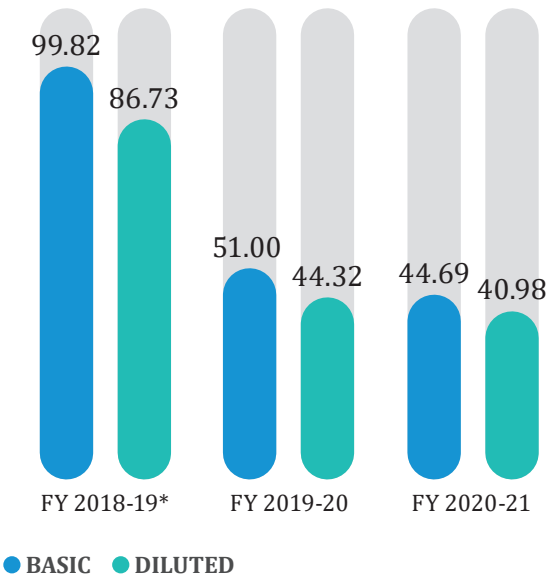


*FY 2018-19 figures are basis IGAAP accounting standards and hence are not directly comparable with other periods

CAPEX (₹ Crores)

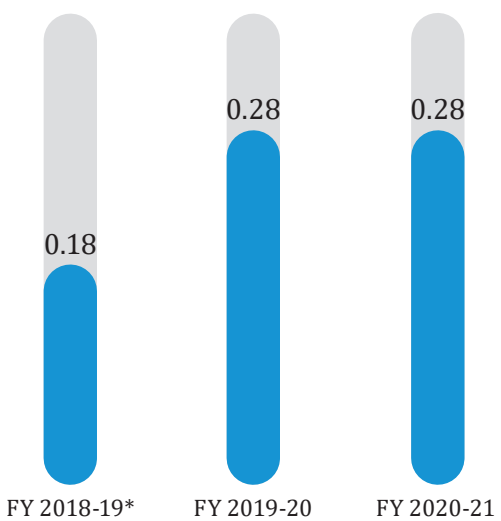


EARNINGS PER SHARE (Basic) AND (Diluted) (₹)



Note: Reduction in EPS is on account of issue of Bonus Shares during FY 2020-21. EPS for FY 2019-20 is restated accordingly. Since the EPS for FY 2018-19 is not presented in current year financials, the same is not restated.

DEBT EQUITY RATIO



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Marching ahead by

Strengthening Our Capabilities

Our core competencies including a unique portfolio, integrated manufacturing operations, robust technical capabilities, and dynamic management are the key contributors to our success. We are undertaking large-scale expansion of our manufacturing capacities and integrating forward and backward to achieve cost optimisation, improved operating leverage and margins, and strong economies of scale.

We are one of the most competitive producers of Chlorination, Ammonolysis, Acetylation, Hydrogenation, and Methoxylation products. We are persistently strengthening our manufacturing capacities to attain a distinct edge and enhance our profitability. We are also integrating our processes and consolidating our operations to improve cost efficiency through agile and efficient capacity utilisation.

EXPANDING CAPACITIES

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 customise products as per evolving requirements. We are focussing on monetising our plants efficiently by producing high-margin, value-added products.

During the year, we completed the expansion of ammonolysis capacity at Vapi plant. We also completed expansion of Phase I of Para Amino Phenol (PAP), while the expansion of Ortho Amino Phenol (OAP) is still in process. PAP has been identified as key intermediates of pharmaceutical products. Further, we have commenced preparatory work of drug intermediates. We aim to produce drug intermediates so as to reduce our dependence on importing them. We aim to forward integrate Paracetamol in the near future. This will enable us to cater to the growing demand of drug intermediates and APIs in end-user industries with a focus on the pharmaceutical industry.

We are proactively undertaking forward integration and adding new, high-margin products to strengthen our product portfolio.

INTEGRATING OPERATIONS

We are proactively undertaking forward integration and adding new, high-margin products to strengthen our product portfolio. Integrated manufacturing capabilities give us economies of scale, making us more competitive in the marketplace and achieve higher capacity utilisation. Further, our unique portfolio enables us to customise and manufacture different products and quantities.

We are also backward integrating to manufacture key raw materials and reduce our dependence on suppliers and lower procurement costs. This will enable us to exercise greater control over production costs and product quality, with superior delivery timelines and enhanced margins.

Advancing Towards Sustainable Chemistry

We, at Valiant Organics Limited, are committed to implementing rigorous standards across the supply chain by delivering on the heightened demand for chemicals and fostering safer chemistries. We are focussed on adopting eco-friendly processes to produce specialty chemicals, which result in greener chemistry solutions and zero pollution.

Valiant Organics Limited is acknowledged amongst the largest specialty chemicals manufacturers in India on an augmented growth path with viable advantages. We are steadfast and resolute towards observing to Zero Liquid Discharge Units. Of our six manufacturing facilities, five are committed to being zero discharge units. This ensures zero discharge of harmful chemicals during manufacturing. One of our plants is a member of the 163-member government initiative for industrial waste exchange and by product recovery facility called Novel Spent Acid Management. By contributing to these practices, we support the enactment of sustainable chemistry and best practices to safeguard the environment. Further, our unit at Ahmedabad is a member of the Common Effluent Treatment Plant (CETP).

ENVIRONMENT AND QUALITY CONSCIOUSNESS

Being a chemicals company, we are always endeavouring to achieve a distinct edge in our business practices. We take utmost care to safeguard that quality of products is never negotiated. We adhere to the highest environmental, health, safety, and quality standards. We also conduct frequent reviews and audits of safety, power consumption and water, and any recommended change is calculated prior to execution. This is aimed at reducing our carbon footprint with the use of improved technology and processes. Strict demarcations of each manufacturing process are ensured, with as little manual interference as possible. We now produce organic-free HCL and have successfully converted 246TCP (earlier a byproduct of waste) into a marketable product.

ECO-RESPONSIVE HYDROGENATION

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

ENHANCING PLANT EFFICIENCY

To accomplish energy savings, we have transferred plants' distillations operations from batch to continuous mode. This has diminished plants' energy requirement per unit of output. Additionally, we can achieve reasonable cost savings by converting high-pressure steam from manufacturing processes to power the plants.

EXECUTING DISTRIBUTED CONTROL SYSTEM

Armed with sophisticated technologies, our manufacturing plants are pitched towards automated systems with minimum human interference. We are in the process of employing the Distribution Control System (DCS) across all our plants, to bring about state-of-the-art automation and better safety systems. This helps us sustain uniformity 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.

Making a Difference in Communities

As an organisation, our collaboration for progress is not just limited to our customers, but also broadens to the community at large. We are committed to the welfare and holistic development of the communities in which we operate through our meaningful and purposeful interventions.

We strive to promote environmental sustainability through ecological balance 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 attitude to Corporate Social Responsibility is focussed on these key areas: empowering women to create sustainable livelihoods; providing better healthcare to rural India; animal welfare; and education and skill development.

During the year, we undertook several initiatives including support towards healthcare, environment sustainability, flood relief, and distribution of food and medical equipment to the ones affected by the COVID-19 pandemic.

Key pillars of CSR	Sector in which project is undertaken	Location
Education and Skill Development	Education of the underprivileged	Mumbai and Gujarat
Healthcare	Hospital and medical colleges	Mumbai 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 and Gujarat
COVID Relief	Providing COVID Support and Relief	Pan India

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 Piyush P. Lakhani
(up to May 25, 2021)

Shri Mahek M. Chheda
(w.e.f. May 26, 2021)

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
Hongkong Shanghai Banking Corporation
HDFC 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
(up to August 14, 2021)

Shri Sathiababu Krishnan Kallada

Dr Kiritkumar Haribhai Desai
(w.e.f August 14, 2021)

COMPANY SECRETARY
Mrs Vyoma M. Vyas

REGISTRAR AND SHARE TRANSFER AGENT
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

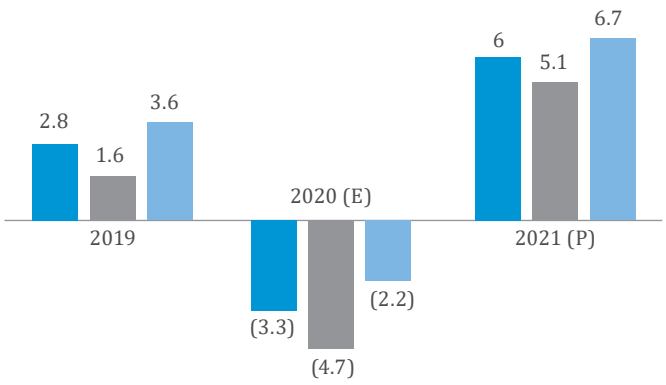
Management Discussion and Analysis

ECONOMIC REVIEW

Global economy

The year 2020 saw the spread of the novel coronavirus (COVID-19), which was declared as a global pandemic by the World Health Organisation (WHO). To contain the spread of this virus, countries across the world opted to close down their international borders, which not only disrupted global trade but also severely impacted the global economy. The global trade volumes in 2020 contracted by 8.5%, leading to the contraction of the world economy by 3.3%. Major economies across the world saw a slowdown in economic activities, leading to a contraction of GDP to as low as 9.9% in 2020 in countries such as the UK.

Region-wise growth estimates (%)



E: Estimated, P: Projected

With the beginning of vaccine roll-outs across the world by the end of 2020, and lockdowns being lifted in a phased manner across various countries, the world economy is expected to recover in the foreseeable future. Though the second wave of the COVID-19 pandemic has proved to be challenging across some countries, the world is better prepared to withstand the challenges and counter the pandemic, on the back of the experiences gained in 2020.

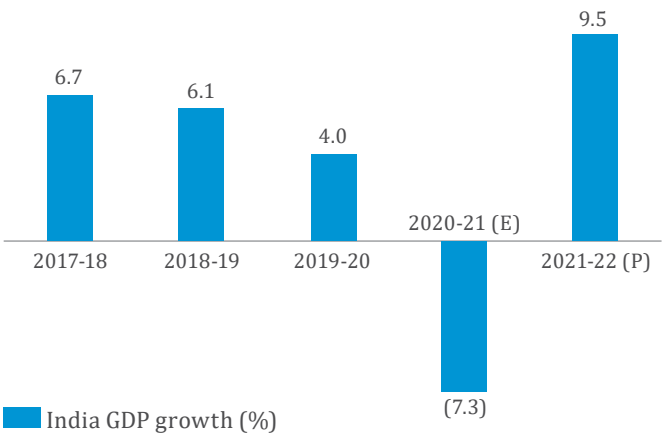
With the global fiscal support up to USD 12 trillion and extensive rate cuts, coupled with liquidity injections, the global economy is expected to recover faster. On the back of this optimism, the global GDP growth for 2021 and 2022 is projected at 6% and 4.4% respectively. In line with the recovery of economy, the global trade volumes are expected to grow by 8.4% in 2021.
(Source: IMF, WEO, EIA)

Indian economy

India opted for a nationwide lockdown in late-March 2020 to contain the spread of the COVID-19 pandemic. This lockdown brought the economic activities to a standstill and disrupted the trade across the country. However, on the back of various financial stimulus announced by the Government, the economy gradually started recovering post the lifting of lockdown restrictions. The Government provided two specific financial stimulus packages during FY 2020-21, the ₹20 trillion of COVID-19 relief package and ₹2.65 trillion of comprehensive financial package. Further, the Reserve Bank of India opted for rate cuts twice during the fiscal and announced the moratorium extension and deferment of loan repayments, to counter the liquidity crunch across the country. The Government also announced the 'One nation, one ration card' scheme in FY 2020-21, enabling migrant labourers to access basic necessities from any part of the country.

On the back of this above mentioned measures, the Indian economy saw a fast recovery in the second half of FY 2020-21. The country's GDP is estimated to have contracted by 7.3% during FY 2020-21 compared to a growth of 4% during the previous fiscal. Further, due to increasing food prices, the consumer price inflation of India was estimated at 6.2% for FY 2020-21 compared to 4.8% in FY 2019-20.

GDP growth – year-wise



The financial year FY 2020-21 saw the exchange rate of US dollars stand at an average between ₹73 and ₹75 per US dollar. Coupled with steady dollar prices, and increasing gold reserves and foreign currency assets, India's foreign exchange reserves stood at a record high of USD 590.18 billion in FY 2020-21.

The last quarter of FY 2020-21 continued to be affected by the COVID-19 pandemic. To counter this, the country focussed on rapid vaccination of the masses. However, starting the next

fiscal at a lower GDP quantum, the country is expected to see a decent growth of 9.5% in its GDP in FY 2021-22, which was projected at 12.5% before the significant impact of the second wave. Further, the consumer price inflation of India is also expected to moderate from 6.2% in FY 2020-21 to 4.9% in FY 2021-22, owing to recovery of global trade and moderated pricing across food and all consumer durable products.

(Source: RBI, WEO, NSO)

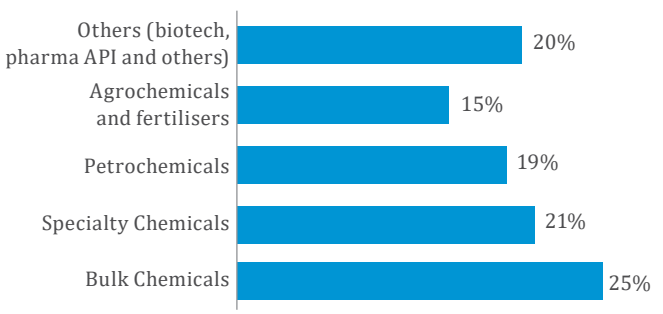
INDUSTRY OVERVIEW

Indian chemical industry

The chemical industry is a very knowledge-intensive sector, with India ranking as the 6th largest manufacturer of chemicals in the world, and the 4th largest in Asia. The country produced a total of 30,984 thousand MT of major chemicals and petrochemicals in FY 2019-20 compared to 27,858 thousand MT major chemicals and petrochemicals in FY 2018-19, registering a y-o-y growth of 11.22%. Further, the production of major chemicals and petrochemicals between April and September 2020 stood at 12,502 thousand MT, which is a bit lower than expected owing to the continuous disruptions propagated by the COVID-19 pandemic during the year.

Consequently, the Indian chemical industry was pegged at USD 178 billion in FY 2019-20 and is expected to reach USD 300 billion by 2024-25. Over the past 5 years, the Indian chemical sector demand has seen a ~1.3x growth over India's average GDP growth. However, with the COVID-19 pandemic having disrupted the supply chains and the demand for chemicals, the sector has been dented, which is expected to show a downturn in FY 2020-21 production. Owing to this sluggishness in the current market scenario, the industry is expected to grow at a CAGR of 9.2% between FY 2020-21 and FY 2024-25, to reach USD 276 billion, a downward revision from the aforementioned USD 300 billion.

The chemical industry market by sub segments in FY 2019-20 (in USD billion)



Source: Ministry of Statistics and Programme Implementation (analysis at current prices for FY 2018-19), Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, and PwC analysis

The total exports of chemicals and chemical products in FY 2019-20 stood at USD 41 billion compared to USD 34 billion in 2018-19, growing by 20.59% y-o-y. On the other hand, the import of chemicals and chemical products in FY 2019-20 stood at USD 56 billion compared to USD 49 billion in FY 2018-19, increasing by 14.29%.

Contribution to Indian chemical industry

Covers **> 80,000 Products,** an inevitable part of daily life	Employs **two million people**	Contributes **~2.5%** of global chemical sales	Ranked **sixth** in the world and **fourth** in Asia for chemical sales
Ranked **third-largest** consumer of polymers globally	Ranked **fourth-largest** producer of agrochemicals globally	Ranked **second-largest** manufacturer and exporter of dyes	Weightage of **7.87%** - IIP
Contributes **~1.4%** of the **national GVA**	Contributes **8.8%** of India's **manufacturing GVA**	Contributes **2.1%** of total **FDI equity inflows**	Contributes **11.3%** of India's exports

Source - Ministry of Statistics and Programme Implementation (analysis at current prices for FY 2018-19), Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, and PwC analysis

Key trends

- Changing customer preferences: With the world migrating towards safer and sustainable products and services, the demand for such responsible products and services have been gaining traction over the years. Since the spread of the COVID-19 pandemic, the people are also increasingly becoming aware of health and hygiene, and are demanding milder and safer products with pure ingredients.

- Per capita consumption: The current per capita consumption of chemical products in India stands at a mere one-tenth of the global average, which indicates the huge headroom available for growth of the sector. The per capita consumption is expected to double by 2025.

- Industry 4.0: Industry 4.0 is evolution of the manufacturing sector across India on the back of digitalisation, which not only has improved value-addition but also improved productivity and efficiency and moderated costs. Digitalisation has enabled chemical companies to improve supply chains, plan demand and pricing strategies better.

- Investment opportunities: Owing to the abilities of the country, and the anti-China sentiment post the COVID-19 outbreak coupled with the lucrative investment policies, India has been emerging as a preferred investment destination for global players across the world.

- Innovation and sustainability: The chemical sector remains an innovation-driven space, which is constantly evolving on the back of consistent innovation. Further, the chemical companies are incorporating sustainability and green-chemistry initiatives by constantly improving products, technology and processes, and working closely with customers and suppliers across their value chains. Over the last decade, the expenditure on research and development in the chemical industry in India increased at a CAGR of 7.91% between 2009 and 2019.

Opportunities and threats

Opportunities

- With the rapidly increasing urbanisation rate of India, the demand for personal care, paints, packaged food, textiles, adhesives, and construction chemicals are increasing at an incremental pace.

- Post the spread of the COVID-19 pandemic, the rising awareness of health and hygiene has also increased the demand for personal care and hygiene products, thus, driving the demand of chemicals in India.

- The possible shifting of operations of various global companies from China to India is going to act as a major driver for the chemical sector in the country in the near future.

- With the increasing requirement of chemicals in the agro sector and the pharmaceutical space, the country's chemical sector is poised to grow faster in the foreseeable future.

- The increasing need of vaccines across the country, and medication to treat the COVID-infected patients has been driving the chemical sector and is expected to do so in the medium-term future as well.

- The Government of India allows 100% FDI under the automatic route in the chemicals sector, excluding hazardous chemicals.

Threats

- The chemical sector is constantly evolving basis the requirements of the end-user industries, which makes it difficult for companies to retain customers.

- The challenge from cheaper imports impacts the local manufacturers and impacts domestic production. The Government needs to take proactive measures to protect the local manufacturers from such cheap imports.

- The regulations and environmental norms of the chemical sector are very stringent owing to the hazardous manufacturing process.

Specialty chemicals industry

The Indian specialty chemical industry has been rapidly gaining traction over the past few years, owing to the increasing demand of the same in increasing operational efficiencies and moderating downstream costs. The Indian specialty chemicals industry is expected to grow from USD 40 billion in FY 2019-20 to USD 60 billion in FY 2022-23, clocking a CAGR of 13% between 2020 and 2023, outpacing the global average CAGR of 5%.

This rapid increase is attributable to domestic availability of petrochemical intermediates and increasing capital expenditure on expanding portfolio of value-added products coupled with increasing research and development expenditure for designing and producing the latest products. The increasing R&D expenditure has also enabled specialty chemical manufacturers to emerge as the supplier of choice for various downstream sectors, especially the pharmaceutical and agrochemical sector.

Within the Indian specialty chemical sector, the primary demand is generated by agrochemicals, surfactants, specialty polymers and textile chemicals, and dyes, among others. Further, a few emerging downstream utilisations of specialty chemicals are from cosmetic chemicals, adhesives and sealants, flavours and fragrances, printing inks, food additives, and water management chemicals.

Growth drivers

- Population: India has a population of 1.38 billion in 2020, which is expected to increase to 1.64 billion by 2050, in turn, driving the need of specialty chemicals for construction, personal health and hygiene, food and beverages, agrochemical, and textiles among others.

- Make in India: With the increasing focus on 'Make in India' by the Government, the demand for construction chemicals is expected to increase, owing to the increasing requirement in multiple downstream manufacturing sectors.

- Packaged food: With people getting increasingly busy in their day-to-day lives, people are unable to devote time to buy groceries and cook their food. Instead, the packaged and processed food consumption in India has increased extensively, this, driving the demand for specialty chemicals.

- Urbanisation: The country's urbanisation rate stood at 35% in 2020, which is expected to reach 40% in 2030, thus, driving the need for more houses, food and textiles

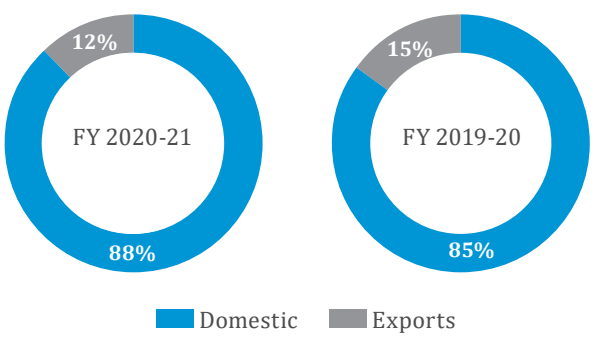
in the urban locales, in turn, increasing the demand for specialty chemicals.

COMPANY OVERVIEW

Valiant Organics Limited ('the Company') is one of the renowned specialty chemical manufacturers in India with a legacy of more than 3 decades. Backed by rich experience in the sector and deep domain knowledge coupled with robust business model and competitive advantages, the Company has been constantly manufacturing and supplying specialty chemicals in both domestic and international markets. The specialty chemicals produced by the Company finds downstream application across various sectors such as agro-chemical, pharmaceutical, and dyes and pigment industries, and veterinary drugs manufacturing.

Further, with the help of the strong R&D team, the Company has not only created a diverse and strong portfolio but also ensured the quality of the products are up to the mark. In addition to a pan-India presence, the Company also exports to countries such as Asia, Europe, and US.

Revenue break-up



Manufacturing capabilities

The Company has six integrated manufacturing facilities spread across Gujarat and Maharashtra wherein it produces superior quality specialty chemicals. The facilities are specific for various different processes, as shown below:

Manufacturing facilities	Process
Sarigam	Chlorination
Tarapur	Ammonolysis
Vapi	Ammonolysis
Jhagadia (Unit 1 & 2)	Hydrogenation, Hydrogenation with condensation, Methoxylation
Ahmedabad	Sulphonation and Acetylation

Operational prowess

On the back of the continuous expansion plans, the Company has been expanding its presence and widening its portfolio with the help of forward or backward integration. With the help of its integrated operations, the Company has been proactively creating more value for customers and enhancing its margins.

The backward integration at the Jhagadia plant helped the Company manufacture its raw materials in-house, enabling the Company to reduce the dependence on suppliers and giving it a great cost and time advantage, in addition to ensuring better quality control. These advantages translated into enhanced efficiencies and superior margins for the Company.

The Company has been working on scaling its capacities in the Jhagadia facility. During the year, the Company completed the Phase I of Para Amino Phenol (PAP); however, continued efforts to achieve the desired specification of PAP is in progress. The Company's Phase I expansion of Ortho Amino Phenol (OAP) is also under way.

With the increasing demand of drug intermediaries, the Company has focussed on achieving forward integration for the manufacture of pharmaceutical intermediaries in the foreseeable future, thereby reducing the imports of these products. On the back of this forward integration, the Company would be able to cater to the growing demand for APIs in the end-user industries, particularly, the pharmaceuticals industry.

The Company has focussed on hydrogenation expansion, which has reduced its dependence on buying Ortho Nitro Anisole / Para Nitro Anisole from vendors. This expansion has enabled the Company to attain captive consumption of the aforementioned material for manufacturing Ortho Anisidine / Para Anisidine.

On the sustainability front, 5 out of 6 plants are Zero Liquid Discharge (ZLD) and 1 plant is a member of 163-member Government initiative for industrial waste exchange and by product recovery facility called Novel Spent Acid Management. Further, the Company also produces organic-free HCL, which earlier contained organic impurities. Earlier, the Company used to generate solid waste containing 2,4,6 Trichloro phenol (246TCP). With its sharp focus on sustainability, the Company introduced process to separate out 246TCP from the wastage, and scaled it to make it a saleable product, over the years. The Company has also focussed on implementing Distribution Control System (DCS) across all plants, empowering automation and safety systems in the facilities. This is also expected to enhance the plant efficiencies.

Financial Performance

The Company's revenue from operations during FY 2020-21 stood at ₹57,423.86 lakhs compared to ₹58,357.66 lakhs in FY 2019-20, registering a decline of 1.60% y-o-y. The EBITDA of Valiant Organics Limited stood at ₹17,416.18 lakhs in FY 2020-21 compared to ₹17,861.96 lakhs in FY 2019-20, a y-o-y decline of 2.50% due to increase in mainly raw material cost. Further, its profit after tax (PAT) stood at ₹11,459.17 lakhs in FY 2020-21 compared to ₹12,392.74 lakhs in FY 2019-20, registering a 7.53% y-o-y decline. Its debt-equity ratio remained constant at 0.28x in FY 2019-20 & FY 2020-21.

Indicative Revenue break-up as per end-user industry

	FY 2020-21	FY 2019-20
Pharmaceuticals	10%	10%
Specialty chemicals	30%	30%
Agro chemicals	40%	40%
Dyes and pigments	20%	20%

Key financial ratios

Particulars	FY 2020-21	FY 2019-20	Y-o-Y Change	Explanations
Interest Coverage Ratio	44.61	158.80	-71.90%	On account of operationalisation of major projects financed through borrowings during the previous year
Current Ratio	1.09	1.31	-16.79%	Maintained healthy levels
Debt Equity Ratio	0.28	0.28	-0.81%	Maintained healthy levels
Operational Profit Margin	26.31%	28.12%	-6.44%	Slight margin squeeze due to raw material price hike

COVID-19 Impact

The COVID-19 pandemic has not only brought the world and the Indian economy to a standstill owing to the repetitive lockdowns and restrictions, but has also disrupted the trade across the world. The Company's operations were impacted by the nationwide lockdown in April 2020. Further, the movement of produced chemicals and products to customers has been very challenging owing to the restrictions on movement of goods not just in the international markets but also in the domestic markets.

However, when the Company opened its facilities and resumed operations, it ensured the compliance with all safety and hygiene protocols for the employees as listed by the Government such as social distancing, thermal screening and use of protective gears. For the corporate employees, the Company transitioned to 'work-from-home' on the back of effective use of technology coupled with relevant data-security measures.

Safety, Health and Environment

The Company strives to benchmark its environment, health and safety to international standards to ensure utmost people-centricity. Under health and safety, the Company has undertaken proactive measures in protecting the health and safety of its employees and contractual workers, such as sanitisation of the offices and manufacturing facilities on a periodic basis, thermal screening, ensuring social distancing and wearing of masks and PPE kits. Further, the Company also inculcates safety training to its employees and contractual workers, and undertakes necessary safety management procedures, which makes it OHSAS 18001:2007-certified.

Further, as a sustainability focus, the Company strives to ensure minimal to zero discharge of pollutants from its manufacturing facilities. The seriousness of its focus on sustainability is validated by the fact that 5 of its manufacturing facilities are Zero Liquid Discharge units. Further, the Company also understands the need of reducing the use of conventional energy in the process. In doing so, the Company has focussed on converting high-pressure steam from manufacturing processes to power the plants, which has also helped in cost savings.

Risk Management

Being a very knowledge-intensive sector, the Company is always subject to adverse impact from not being able to innovate. Further, owing to the lockdowns and trade disruptions across the country owing to the COVID-19 pandemic, the task of transporting the chemicals and compounds to customers across the globe was a huge challenge during the year. Further, the volatility in crude prices and foreign currency exchange rates are also risks that the Company is associated with every year. The fact that China is a dominant player in the chemical manufacturing sector poses to be a continuous threat for the Company, and increases the risk of cheaper imports.

Internal Control Systems

The Company has established a well-maintained internal control framework that covers various aspects of governance, compliance, audit, control and reporting. These internal controls play an integral role in adhering to various regulatory compliance, preventing frauds, safeguarding finances, and maintaining the reliability of financial reporting. The Company's internal audit team periodically conducts an audit of internal control systems and shares the findings with the Company's management who in turn initiates prompt corrective/mitigating measures to maintain accuracy and adequacy of the internal controls.

CAUTIONARY STATEMENT

The Management Discussion and Analysis contains statements describing the Company's objectives, projections, estimates and expectations, which may be forward-looking in nature. These statements are made within the meaning of applicable laws and regulations and are based on informed judgements and estimates. There cannot be any guarantee of previous performance continuity as future performance also involves risks and uncertainties. These may include but are not limited to the general market, macroeconomic, interest rates movements, competitive pressures, technological and legislative developments, and other key factors that may affect the Company's business and financial performance.

Directors' Report

To,
The Members of,
VALIANT ORGANICS LIMITED

Your Board of Directors ("Board") are pleased to present this 16th (Sixteenth) Annual Report together with the Audited Financial Statements along with the Report of the Auditors for the year ended March 31, 2021.

COMPANY'S FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue From Operations	57,423.86	58,357.66	75,480.77	67,493.35
Other Income	1,689.95	521.15	593.81	630.39
Total Income	59,113.81	58,878.81	76,074.58	68,123.74
EBIDTA	17,416.18	17,861.96	21,109.79	18,658.03
Depreciation & Amortisation	1,863.24	1,304.48	2,123.99	1,576.67
Profit before Finance Costs	15,552.93	16,557.49	18,985.80	17,081.36
Finance Costs	348.63	104.27	499.80	232.54
Profit before Tax	15,204.30	16,453.21	18,486.01	16,848.71
Total Tax Expenses	3,745.12	4,060.48	5,398.99	4,229.03
Net Profit for the period	11,459.17	12,392.74	13,087.02	12,619.68
Earnings Per Share (₹)				
Basic	44.69	51.00	44.68	51.00
Diluted	40.98	44.32	40.97	44.32

FINANCIAL PERFORMANCE

Your Company reported Standalone Revenue from operations of ₹ 57,423.86 Lakhs for FY 2020-21 as against ₹ 58,357.66 Lakhs for FY 2019-20. Similarly the exports for the year were at ₹ 7,092.22 Lakhs for FY 2020-21 as against ₹ 8,500.21 Lakhs for FY 2019-20.

Your Company's Earnings Before Interest Depreciation and Taxes stood at ₹ 17,416.18 Lakhs in FY 2020-21 as compared to ₹ 17,861.96 in FY 2019-20. Likewise Net Profit Before Tax stood at ₹ 15,204.30 Lakhs in FY 2020-21 from ₹ 16,453.21 Lakhs in FY 2019-20.

Likewise, Net Profit after Tax stood at 11,459.17 Lakhs in FY 2020-21 as compared to 12,392.74 Lakhs in Financial Year 2019-20.

Likewise the Consolidated Revenue from operations for FY 2020-21 was at 75,480.77 Lakhs as compared to 67,493.35 Lakhs for FY 2019-20.

On a Consolidated basis, your Company's Earnings Before Interest Depreciation and Taxes stood at ₹ 21,109.79 Lakhs in FY 2020-21 as compared to ₹ 18,658.03 Lakhs in FY 2019-20.

Likewise Net Profit Before Tax Stood at ₹ 18,486.01 lakhs in FY 2020-21 from ₹ 16,848.71 lakhs in FY 2019-20.

Likewise, Net Profit after Tax stood at ₹ 13,087.02 Lakhs in FY 2020-21 as compared to ₹ 12,619.68 Lakhs in FY 2019-20.

DIVIDEND

Your Company has paid a dividend of 50% by way of Interim Dividend of ₹ 5/- (@ 50%) per equity share (of 10/- each)for the FY 2020-21. The dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company.

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 (ranking 466) as per market capitalization dated March 31, 2021 by BSE Limited. 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. A Policy is available on the website of the Company and the web link thereto is https://www.valiantorganics.com/assets/investors/dividend-distribution-policy.pdf

TRANSFER TO RESERVES

Your Company has transferred ₹ 1,145.92 Lakhs to General Reserve (Previous Year: ₹ 1389.85 Lakhs).

SHARE CAPITAL

As on March 31, 2021, the Authorized Share Capital of the Company was ₹ 40,00,00,000 comprising of 3,71,00,000 equity Shares of ₹ 10/- each, 25,00,000 Optionally Convertible Preference Shares of ₹ 10/- each (OCPS) and 40,000 Redeemable Non-cumulative Preference Shares of ₹ 100/- each.

During the year pursuant to the approval of the scheme of Merger by NCLT between the Company and Amarjyot Chemical Limited vide its order dated March 08, 2019, the Allotment Committee at its meeting held on October 11, 2020 approved the conversion of 14,27,526 Optionally Convertible Preference shares (OCPS) of ₹ 10/- each into equal number equity shares i.e 14,27,526 equity shares of ₹ 10/- each. pursuant to the said allotment the equity share capital of the Company increased to ₹ 13,57,67,440/-.

Additionally during the year the Board in its meeting held on November 13, 2020 issued and recommended Bonus shares in the ratio (1:1). The Shareholders approved the issue Bonus shares in the Extraordinary General meeting held on December 15, 2020 via video conferencing. The Company allotted 1,35,76,744 equity shares of ₹ 10/-each in the proportion of 1:1 i.e One(1) bonus equity share of ₹ 10/ each for every One (1) share of ₹ 10/each held. The Bonus shares were credited to the shareholders on the record date fixed on December 29, 2020. pursuant to the said allotment the equity share capital of the Company increased to ₹ 27,15,34,880/-.

The Brief details of the above mentioned allotments are given in the table below:

Shares	Before Allotment	After conversion of OCPS into Equity (11.10.2020)	After Bonus (29.12.2020)
Equity Shares of ₹ 10 each	1,21,49,218	1,35,76,744	2,71,53,488
Optionally Convertible Preference Shares of ₹ 10/- each	18,33,087	4,05,561	4,05,561
Redeemable Non-Cumulative Preference Shares of ₹ 100/- each	38,400	38,400	38,400

CORPORATE SOCIAL RESPONSIBILITY

Your Company through, various NGOs, has been doing work in the following sectors.

- Education & Skill Development
- Childcare & Healthcare Facilities
- Women Empowerment
- Environment Sustainability
- Social Welfare
- Disaster relief and rehabilitation
- Green Environment Project

The detailed Policy on Corporate Social Responsibility is available on the website of the Company on the web link.

https://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf

A brief note on various CSR initiatives undertaken during the year is presented in this Annual report.

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

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 841 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.

NOMINATION AND REMUNERATION POLICY

Your Company has in place a nomination and remuneration Policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board Members. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management of the Company is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

The details of this Policy are given in the Corporate Governance Report.

PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report.

In terms of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company for a copy of it.

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 other material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which these financial statements relate and the date of the report.

BUSINESS RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of business risk. Business risk, inter-alia, further includes fluctuations in foreign exchange, Raw Material Procurement risk, Environmental & Safety Risk, Working Capital Risk, Market Risk and Business Operations Risk. The risk management framework defines the risk management approach of the Company and includes periodic review of such risk and also documentation, mitigating controls and reporting mechanism of such risks.

In compliance with Regulation 21 of Listing Regulations, Your Company has a Risk Management Committee consisting of Shri Velji Gogri (Chairperson), Shri Arvind Chheda, Shri Mahek Chheda. The Committee through its dynamic risk management framework continuously identifies, evaluates and takes appropriate measures to mitigate various elements of risks.

INTERNAL CONTROL SYSTEMS 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. The Company has appointed an Internal Auditor who periodically audits the adequacy and effectiveness of the internal controls laid down by the management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorised 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'S DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORTING (BRR)

The Listing Regulations mandates the inclusion of the BRR as part of the Annual Report for top 1000 listed entities based on market capitalization. Business Responsibility Reporting for the year under review, as stipulated under Regulation 34 (f) of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015 is in a separate section forming part of the Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company is not required to transfer unclaimed and unpaid dividend to IEPF account.

RELATED PARTY TRANSACTIONS

The Company has a Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction which is uploaded on the Company's website at the web- link given below:

https://www.valiantorganics.com/assets/investors/Related-Party-Transaction-Policy.pdf

All related party transactions that were entered into during the FY 2020-21 were on an arm's length basis and were in

the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

All related party Transactions are presented to the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of transactions.

The details of related party transactions are provided in the accompanying financial statements.

Since all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length's basis, Form AOC–2 is not applicable to Company.

CORPORATE GOVERNANCE

Corporate Governance essentially involves balancing the interests of a Company's stakeholders. The Company is committed to good corporate governance practices and the Corporate Governance practices of the Company are a reflection of its values, policies and relationship with our stakeholders.

Your Company has complied with the mandatory Corporate Governance requirements stipulated under the Listing Regulations. Report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from M/s Gokhale & Sathe LLP, Chartered Accountants is attached to the Report on Corporate Governance.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available in prescribed format on the Company's website on www.valiantorganics.com

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 standalone financial statement of the Company.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, 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 of the Committees and Independent Directors were evaluated by the entire Board of Directors except for the Director being evaluated. The performance evaluation of the Chairman, Non-Independent Directors and Board as a whole was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

SUBSIDIARY COMPANIES

The Company as on March 31, 2021 has 2 (Two) subsidiaries, namely, Valiant Speciality Chemical Limited, Wholly Owned Subsidiary incorporated on December 20, 2019 and Dhanvallabh Ventures LLP.

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 https://www.valiantorganics.com/assets/investors/Policy-for-Material-Subsidiary.pdf

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we 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 AOC–1 is included in the Report as **Annexure-B** and forms an integral part of this Report. The statement also provides the details of performance, financial position of each of the Subsidiaries.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY 2020-21, together with the Auditors' Report, form part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Composition

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. As on March 31, 2021, the Board comprises 12 (Twelve) Directors out of which 6 (six) are Executive Directors, 2 (two) Non-Executive Directors and 4 (four) Non-Executive Independent Directors. The Chairman of the Board is an Independent Director. The Board has highly qualified members and having varied experience in their respective fields.

Shri Bijal Modi (DIN:00616848) and Shri Dineshkumar Shah(DIN:00616848), Whole time Directors of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re appointment

Present Term of Shri Mulesh Savla (DIN NO: 00616848), Independent Director of the Company shall expire on April 19, 2022. Your Directors in its meeting held on August 14, 2021 on the recommendation of Nomination and remuneration committee have considered his re-appointment for 2nd Term for the period of Three (3) years with effect from April 20, 2022. Your Directors recommend for your approval by way of Special Resolution at ensuing Annual General Meeting (AGM).

Shri K.K.S. Babu was appointed as an Additional Director in the Category of Non-Executive Director, Liable to retire by rotation effective from November 23, 2020. Your Directors recommend for your approval by way of resolution at ensuing Annual General Meeting (AGM). The brief resume regarding his appointment at ensuing Annual General Meeting is given in the Notice conveying AGM.

Dr. Kiritkumar Desai (DIN NO: 08610595) was appointed as an additional Director in the Category of Non-Executive Director liable to retire by rotation effective from August 14, 2021. Your Directors recommend for your approval by way of resolution at ensuing Annual General Meeting (AGM).Brief resume regarding his appointment at AGM is given in the Notice Conveying AGM.

Shri Dattatray Sidram Galpalli had resigned from the office of the Non -Executive Director effective from August 14, 2021 on account of his personal other commitments. The Board placed on record its appreciation for his valuable contribution to the Company.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

The Board is of the opinion that all the Independent Directors hold the highest degree of integrity and are individuals who are experts in their respective fields with enormous experience. A few Independent Directors of the Company who are required to appear and clear proficiency tests are yet to appear for the same. However, the same shall be carried out before the time-line prescribed by the Companies Act, 2013.

Statement on declaration given by independent directors under sub-section (6) of section 149

All Independent Directors have given declarations 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.

Number of Meetings of the Board

The Board met 5(Five) times during the financial year. The agenda of the meeting was circulated to the members of the Board in advance along with necessary documents, reports, recommendations etc. so that each Board member can actively participate on agenda items during the meeting. The details of Board and Committee Meetings and the attendance of the Directors at such meetings are provided in the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the prescribed period under the Companies Act, 2013 and the Listing Regulations.

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, 2021, 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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a Familirsation programme for its Independent Director which is imparted at the time of appointment of an Independent Director on Board as well as annually. During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them are placed on the website of the Company and the web link thereto is

https://www.valiantorganics.com/investors.php?action=showSubcat&id=15

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

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI or violation of Company's Code of Conduct. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases The said Policy has been posted on the website of the Company and the web link thereto is https://www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf

The Company affirms that no person has been denied access to the Audit Committee Chairman.

STATUTORY AUDITORS

At the 13th Annual General Meeting held on September 29, 2018 had approved the appointment of M/s Gokhale & Sathe LLP. Chartered Accountants (Firm Registration No: 10326W), to hold office till the conclusion of 18th Annual General Meeting, As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company.

COST AUDITORS

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014 the Company is required to maintain cost accounting records and have them audited every year.

The Board has appointed M/s Ketaki D Visariya, Cost Accountants, (Membership No.16028) as the Cost Auditors of the Company for FY 2021-22 under Section 148 and all other applicable provisions of the Act.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Member's ratification for the remuneration payable to M/s Ketaki D. Visariya, Cost Accountants, is included at Item No. 8 of the notice convening the 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 Sunil M. Dedhia & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is included as **Annexure-C** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualifications, reservations, adverse remark or disclaimer. Secretarial audit report has observation with respect to that steps for listing of 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 OCPs on SME platform of BSE Limited (BSE) only on August 6, 2020 which was 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. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

EXPLANATION OR COMMENTS ON DISQUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS IN THE AUDITOR'S REPORTS

There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report. As regards the observations of the Statutory Auditors and the Secretarial Auditor in their Report, the same are self explanatory and need no further clarifications.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is fully committed to uphold and maintain the dignity of every woman working with the Company. The Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment at workplace. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at the workplace and for prevention and redressal of such complaints.

Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment.

Status of the Complaints during the FY 2020-21 is as follows:

Particulars	No. of Complaints
Number of Complaints pending as on beginning of the Financial Year	0
Number of Complaints filed and resolved during the Financial Year	0
Number of Complaints pending as on the end of the Financial Year	0

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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: ₹ 7,055 Lakhs (Previous Year: ₹ 8,500 Lakhs)

Foreign Exchange Outgo: ₹ 5,216 Lakhs (Previous Year: ₹ 5,105 Lakhs)

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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).

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 and the constructive cooperation extended by them. Your Directors would 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 the Board

Sd/-
VELJI K. GOGRI
Chairman
DIN: 02714758

Place: Mumbai
Date: August 14, 2021

Annexure 'A'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2020-21

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

For us at Valiant Organics Limited ("VOL"), reaching out to underserved communities is part of our DNA. Giving back to the community and addressing their needs is a key priority for the Company. The Company believes that the progress of the poor and deprived sections of the society should go hand-in-hand with the growth of the Company.

Ensuring socioeconomic development of the community through different participatory and need based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become self-reliant and build a better tomorrow for themselves. Ensuring environmental sustainability through ecological balance, conservation and maintaining quality of soil, air and water.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR Policy of the Company is available on website of the Company at www.valiantorganics.com

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Velji K. Gogri	Chairperson /Independent Director	1	1
2	Shri Arvind K. Chheda	Member/Managing Director	1	1
3	Shri Bijal D. Modi	Member/ Whole time Director	1	1

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

https://www.valiantorganics.com/assets/investors/CSR%20Policy.pdf

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT)

Not Applicable for the year under review.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1.	-	NIL	NIL

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):- ₹ 12,020.55 LAKHS

7.

a) Two percent of average net profit of the Company as per section 135(5):- 240.41 lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- Nil

c) Amount required to be set off for the financial year, if any: - Nil

d) Total CSR obligation for the financial year (7a+7b-7c):- 240.41 lakhs

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
280.38	Not Applicable				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ in Lakhs)	Mode of Implemen-tation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	COVID Support- PM CARES Fund	(viii)	Yes	Pan India		125	No	PM CARES Fund	-
2.	COVID Support- Maharashtra State Disaster Management Authority	(xii)	Yes	Maharashtra	Various districts in Maharashtra	25	No	Maharashtra State Disaster Management Authority	-
3.	COVID Support- Gujarat State Disaster Management Authority	(xii)	Yes	Gujarat	Various districts in Gujarat	50	No	Gujarat State Disaster Management Authority- CSR Fund	-
4.	COVID Support- (Food distribution, supply of Medical essentials)	(i), (xii)	Yes	Maharashtra, Gujarat	Various districts of Maharashtra and Gujarat	10.05	Yes	-	-
5.	Rural Development	(x)	Yes	Gujarat	Bharuch	5	Yes	-	-
6.	Education Welfare and Skill	(ii)	Yes	Maharashtra, Gujarat	Mumbai, Ahemdabad, Kutcch, Ratanpur	44	No	Aarti Foundation	CSR00000537

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ in Lakhs)	Mode of Implemen-tation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
7.	Healthcare Facilities	(i)	Yes	Maharashtra, Gujarat	Mumbai, Kutcch	6	No	Aarti Foundation	CSR00000537
8.	COVID Support- (Food distribution, supply of Medical essentials)	(i), (xii)	Yes	Maharashtra, Bihar	Pune,Bodgaya	9.92	No	Aarti Foundation	CSR00000537
9.	Green Environment Project	(iv)	Yes	Gujarat	Vapi	4.63	No	Aarti Foundation	CSR00000537
10.	Flood Relief	(xii)	Yes	Gujarat	Narmada	0.45	No	Aarti Foundation	CSR00000537
11.	General Welfare Activities	(i), (ii)	Yes	Maharashtra, Gujarat	Various districts of Maharashtra and Gujarat	0.33	Yes	-	-
Total						**280.38**			

(d) Amount spent in Administrative Overheads: **NIL**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)= 280.38

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakhs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	240.41
(ii)	Total amount spent for the Financial Year	280.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	39.97
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	39.97

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
Not Applicable								

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS):

(a) Date of creation or acquisition of the capital asset (s) - **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - **Not Applicable**

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):- NOT APPLICABLE.

Sd/-
Arvind Kanji Chheda
Managing Director
(Member of CSR Committee)
DIN: 00299741

Sd/-
Velji Karamshi Gogri
Independent Director
(Chairman of CSR Committee)
DIN: 02714758

Place: Mumbai
Date: August 14, 2021

Annexure 'B'

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	01.04.2020 - 31.03.2021	Rupees	50,000	Nil	61,13,22,269	*61,12,72,269	61,02,60,199	21,13,39,932	21,13,23,428	11,07,852	Nil	73.15
2.	Valiant Speciality Chemical Limited	01.04.2020 - 31.03.2021	Rupees	25,00,000	(2,78,411)	25,01,000	2,79,411	Nil	Nil	(2,78,411)	Nil	Nil	100
3.	*Bharat Chemicals	01.04.2020 - 31.03.2021	Rupees	20,00,000	Nil	1,11,72,91,569	91,72,91,569	Nil	18,05,51,4930	47,04,01,351	16,45,98,584	Nil	50.11

*Total Liabilities includes partners current account balances

*Change of name from Bharat Chemical to Valiant Laboratories w.e.f August 16, 2021

Annexure 'C'

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

(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, 2021 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 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, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which were not applicable to the Company during Audit Period;

(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.

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 Agreement 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 steps for listing of 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 OCPs on SME platform of BSE Limited (BSE) only on August 6, 2020 which was 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.*

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.**
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
Peer Review Certificate No. 867/2020
UDIN: F003483C000664011

Place: Mumbai
Date: June 20, 2021

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.

CS Sunil M. Dedhia
Proprietor, **Sunil M. Dedhia & Co.**
Practising Company Secretary
FCS No: 3483 C.P. No. 2031
Peer Review Certificate No. 867/2020
UDIN: F003483C000664011

Place: Mumbai
Date: June 20, 2021

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Guided by its core values; Persistent, Confident, Resilient the Company is committed to the adoption and adherence to Corporate Governance Practices that ensure; adequate transparency to take informed decisions and building Trust for impactful collaboration.

These Governance Practices help enhancement of long-term shareholders value and interest of other Stakeholders and also help to align with our strategy for sustainable growth. The Company is committed to maintain high standards of Corporate Governance to achieve business excellence and strengthen the confidence of all stakeholders.

The Board fully appreciates the need of increased awareness for responsibility, transparency and professionalism in management of the Organisation. The Board believes that Corporate Governance is not an end, it is just the beginning towards growth of the Company for long term prosperity. Continuous efforts taken towards strong governance practice have rewarded the Company in the sphere of stakeholders' confidence, valuation, market capitalisation and high credit rating.

2. BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD")

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect the interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company.

Composition – As on close of business hours of March 31, 2021, the Board comprises Twelve (12) Directors, out of which 6 (Six) are Executive Directors, 2 (Two) are Non Executive Non Independent Directors and 4 (Four) are Independent Directors (including one Woman Independent Director). As on March 31, 2021 and as on date of this Report, the Company is in compliance with the provisions of Section 149(4) of the Companies Act, 2013 read with Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations.

Independent Directors – In terms of Section 149(7) of the Companies Act, 2013, the Independent Directors, have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on independent directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

All the Directors have confirmed that they are not members of more than ten mandatory committees and do not act as chairman of more than five mandatory committees in terms of the Regulation 26 of the Listing Regulations across all the listed companies in which they are directors.

Board procedure – The Board meets at regular intervals to discuss agenda items set for meeting including performance, policies and the strategies. All the necessary documents and information pertaining to the matters to be considered at each Board and Committee meetings, is made available to enable the Board and Committee members to discharge their responsibilities effectively.

Meetings held during the financial year 2020-21 – 5 (Five) Board Meetings were held on following dates:

Board Meeting Dates	May 08, 2020	August 28, 2020	October 10, 2020	November 13, 2020	February 10, 2021
Start Timing	3:00 pm	11:30 am	4:00 pm	11:30 am	11:30 am
Venue	Mumbai				

The gap between any two Board meetings did not exceed one hundred and twenty days. Apart from the physical/ VC meetings, the Board / Committees also considered and approved certain matters by circular resolutions, which were noted at the next meeting of the Board as required in terms of the Companies Act, 2013.

Attendance, directorships and committee positions – The names and categories of the Directors on the Board, their Directorship in other Companies, their attendance record, the committee positions in other Companies as on March 31, 2021, are as under:

Name of the Director	Category	Directorships as on March 31, 2021		Attendance at meetings held during the financial year 2020-21		Number of Committee Membership in other Companies (excluding Valiant Organics Limited)	
		Total no. of Directorships as on March 31, 2021 (excluding Valiant Organics Limited)	Directorship held in other listed entity	Board (out of 5)	AGM on September 29, 2020	Chairman	Member
Arvind Kanji Chheda	Promoter, Executive	1	None	5	(through Video Conferencing)	-	-
Mahesh Mathuradas Savadia	Executive	None	None	5	(through Video Conferencing)	-	-
Vishnu Jyotiram Sawant	Executive	None	None	5	(through Video Conferencing)	-	-
Mahek Manoj Chheda	Executive	3	None	5	(through Video Conferencing)	-	-
Dinesh Seventilal Shah	Executive	2	None	5	(through Video Conferencing)	-	-
Bijal Dilipchandra Modi	Executive	1	None	5	(through Video Conferencing)	-	-
Dattatray Sidram Galpalli	Non Executive(Non) Independent Director	1	Aarti Surfactant Ltd	5	(through Video Conferencing)	1	1
Sathiababu Krishnan Kallada	Non Executive(Non) Independent Director	1	None	5	(through Video Conferencing)	-	-
Dhirajlal Damji Gala	Independent	None	None	5	(through Video Conferencing)	-	-
Mulesh Manilal Savla	Independent	1	Independent Director(Aarti Surfactants Limited)	5	(through Video Conferencing)	1	3
Velji Karamshi Gogri	Independent	None	None	5	(through Video Conferencing)	-	-
Jeenal Kenil Savla	Independent	None	None	5	(through Video Conferencing)	-	-

Notes:

1) Promoter includes Promoter Group;

2) While considering the total number of directorships, directorships in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 have been excluded

3) Includes Audit Committee, Nomination and Remuneration Committee and the Stakeholders' Relationship Committee only;

4) In terms of Part C of Schedule V of the Listing Regulations, it is hereby disclosed that there is no inter-se relationship amongst other directors.

Skills / expertise / competencies of the Board of Directors – The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members:

List of core skills/expertise/competencies identified by the board of directors as required in the context of the business(es) and sector(s)		Names of directors who have such skills / expertise / competence.
Industry Experience	Experience in Speciality chemical & Pharmaceutical industry	All the executive directors and Shri Velji K. Gogrii
Operations, Technology, Sales and Marketing	Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	Shri Arvind K. Chheda Shri Mahek M. Chheda Shri Bijal D. Modi Shri Dattatray Galpalli Shri Vishnu Sawant
Leadership	Extensive leadership experience of an organisation for practical understanding of the organisation, its processes, strategic planning, risk management for driving change and long-term growth	Shri Mahek M. Chheda Shri Arvind K. Chheda Shri Dinesh S. Shah Shri Mahesh Savadia
Understanding of Global Business	Owing to presence across the globe, the understanding of global business & market is seen as pivotal.	Shri Sathiababu Kallada
Finance and Banking	Finance field skills/competencies/ expertise is seen as important for intricate and high quality financial management and financial reporting processes	Shri Arvind K. Chheda Shri Mulesh M. Savla Smt Jeenal K. Savla
Legal/Governance/ Compliance	In order to strengthen and maintain the governance levels & practices in the organisation	Shri Dhirajlal D. Gala Shri Mulesh M. Savla

Certificate from Company Secretary in Practice – Certificate as required under Part C of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, received from CS Sunil M. Dedhia proprietor of Sunil M. Dedhia & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred and disqualified from being appointed or continuing as directors of the Company by an order from the Securities and Exchange Board of India /Ministry of corporate Affairs or any such statutory authority is received by Company.

Code of ethics – The Company has prescribed a code of ethics for its Directors and senior management. The code of ethics of the Company has been posted on its website https://www.valiantorganics.com.

Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insiders – The Board has approved and adopted the code of practices and procedures for fair disclosure of unpublished price sensitive information and the code of conduct to regulate, monitor and report trading by insiders in terms of Regulation 8 and 9 of (Prohibition of Insider Trading) Regulations, 2015 SEBI respectively.

Familiarisation Programme – Induction, orientation or familiarisation programmes are part of our culture and applicable to all layers of management and the Board Members, which are designed based upon the position / job requirements. Details of familiarisation Programmes imparted to independent Directors are disclosed on the Company's website https://www.valiantorganics.com and the web link thereto is https://www.valiantorganics.com/assets/investors/details-of-familirisation-programme-2020-2021.pdf

Separate meeting of Independent Directors – In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 31, 2021 without the participation of non-Independent Directors and the members of the management. The Independent Directors discussed on various aspects, viz. performance of non-Independent Directors and the Board as a whole, performance of the chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform duties.

3. COMMITTEES OF BOARD

The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each Committee of the Board, whether mandatorily required to be constituted or otherwise, functions according to its scope that defines its composition, power and role in accordance with the Companies Act, 2013 and the Listing Regulations.

The composition, meetings, attendance and the detailed terms of reference of various Committees of the Board are as under:

(i) **Audit Committee** – The Audit Committee of the Board has been constituted as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Composition, Meetings and Attendance – During the Financial Year 2020–21 Audit Committee met four times. The Composition of the Committee, date of the meetings and attendance of Audit Committee members in the said meetings is given below -

Members	Category	Meeting Dates	May 08, 2020	August 27, 2020	November 13, 2020	February, 10, 2021
		Start Timing	02:15 pm	04:00 pm	10:00 am	10:00 am
Jeenal Kenil Savla	Chairperson	4	√	√	√	√
Dhirajlal Damji Gala	Independent Director	4	√	√	√	√
Velji Karamshi Gogri	Independent Director	4	√	√	√	√
Mulesh Manilal Savla	Independent Director	4	√	√	√	√
Arvind Kanji Chheda	Executive Director	4	√	√	√	√
Bijal Dilipchandra Modi	Executive Director	4	√	√	√	√

The Chief Financial Officer, Functional Heads, Representatives of the Statutory auditors, Internal auditors, Cost Auditor, as and when required attend the meetings of the Audit Committee from time to time. The Company Secretary of the Company acts as the secretary to the Audit Committee. The Chairperson of the Audit Committee attended the 15th Annual General Meeting held on 29th day of September, 2020,

All the members of the Audit Committee are financially literate and majority of them have accounting and financial management expertise.

Terms of Reference : The broad terms of reference of the Audit Committee include the following :

1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   (b) changes, if any, in accounting policies and practices and reasons for the same;

   (c) major accounting entries involving estimates based on the exercise of judgment by management;

   (d) significant adjustments made in the financial statements arising out of audit findings;

   (e) compliance with listing and other legal requirements relating to financial statements;

   (f) disclosure of any related party transactions;

   (g) modified opinion(s) in the draft audit report;

5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8) approval or any subsequent modification of transactions of the listed entity with related parties;

9) scrutiny of inter-corporate loans and investments;

10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

11) evaluation of internal financial controls and risk management systems;

12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14) discussion with internal auditors of any significant findings and follow up there on;

15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18) to review the functioning of the whistle blower mechanism;

19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20) Carrying out any other function as is mentioned in the terms of reference of the audit committee. reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

Mandatorily review the following information:

1) management discussion and analysis of financial condition and results of operations;

2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

3) management letters / letters of internal control weaknesses issued by the statutory auditors;

4) internal audit reports relating to internal control weaknesses;

5) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.

(a) statement of deviations:

(b) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(c) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

During the year under review, the Audit Committee also reviewed and approved the related party transactions from time to time.

(ii) **Stakeholders Relationship Committee** – The Stakeholders Relationship Committee has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Composition, Meetings and Attendance – During the Financial Year 2020 – 21 Stakeholder Relationship Committee met one (1) time. The Composition of the Committee, date of the meetings and attendance of Stakeholder Relationship Committee members in the said meetings is given below –

Members	Category	Meeting Date	March 31, 2021
		Start Timing	07:00 pm
Shri Mulesh M. Savla (Chairman)	Independent	1	√
Shri Dhirajlal D. Gala	Independent	1	√
Shri Arvind K. Chheda	Executive Director	1	-

Terms of Reference –

1) Resolving the grievance of the security holders of the Company including complaints related to transfer/

transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2) Review of measures taken for effective exercise of voting rights by shareholders.

3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;

5) such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") and / or such other regulatory provisions, as amended from time to time, as also as the Board of Directors of the Company may consider think fit.

Name, designation and contact details of the Compliance Officer – Smt Vyoma Vyas, Company Secretary (M. No. A45555), is the Compliance Officer of the Company. The Compliance Officer can be contacted at the Corporate office of the Company at: "109 Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (West), Mumbai-400080, Maharashtra, India; Tel.: +91 22 25913766, +91 22 25913765; Fax: +91 22 25913765; Email: investor@valiantorganics.com; Website: www.valiantorganics.com

Separate email-id for redressal of investors' complaints – As per Regulation 6 of the Listing Regulations, the Company has designated a separate email id (investor@valiantorganics.com) exclusively for registering complaints by investors.

Status of investors' complaints as on March 31, 2021 – During the year, 0 (zero) Complaints were received through SCORE portal of SEBI. All the Complaints were resolved to the satisfaction of the Shareholders as on the date of this report. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2021.

(iii) **Nomination and Remuneration Committee** – The Nomination and Remuneration Committee of the Board has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Composition, Meetings and Attendance – During the Financial Year 2020–21 Nomination and Remuneration Committee met two times.

The Composition of the Committee, date of the meetings and attendance of Nomination and Remuneration Committee members in the said meetings is given below–

Members	Category	Meeting Date	May 07, 2020	August 28, 2020
		Start Timing	07:00 pm	07:00 pm
Shri Mulesh M. Savla (Chairman)	Independent	2	√	√
Shri Velji K. Gogri	Independent	2	√	√
Smt Jeenal K. Savla	Independent	2	√	√

Terms of reference – The broad terms of reference of the Nomination and Remuneration Committee shall, inter alia, include the following:

1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a Policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

3) devising a Policy on diversity of board of directors;

4) identifying 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 of directors their appointment and removal;

5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Nomination and Remuneration Policy –

I. Criteria and Qualification for Nomination & Appointment

A person to be appointed as Director, Key Managerial Personnel (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.

II. Policy on Remuneration

The Company considers human resources as its invaluable assets. The remuneration Policy endorses equitable remuneration to all directors, key managerial personnel and employees of the Company 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.

Whole-time Directors

The Company remunerates its Whole-time Director's by way of salary and commission based on performance of the Company.

Remuneration is paid within the limits as approved by the shareholders 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 performance of the Company.

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.

Key Managerial Personnel [KMP] and other 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.

Remuneration to Executive Directors –

Name of Director(s)	Salary and other Perquisites(including Bonus)	Commission	Total Remuneration
Arvind Kanji Chheda	27,00,000	75,39,000	1,02,39,000
Mahesh Mathuradas Savadia	13,02,000	-	13,02,000
Vishnu Jyotiram Sawant	19,20,000	-	19,20,000
Mahek Manoj Chheda	18,00,000	-	18,00,000
Dinesh Seventilal Shah	12,18,544	-	12,18,544
Bijal Dilipchandra Modi	25,00,000	-	25,00,000

Notes:

a) Figures are exclusive of cost of perquisites; contribution to provident fund, superannuation fund, driver's salary, and taxable value of Car perquisite.

b) All the directors are appointed under the contract each for a period of Three years and with termination notice period of 180 days.

Remuneration to Non - Executive Directors – The Non- executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 2013. The details of the sitting fees paid, stock options granted and shares held by the Non - Executive Directors during the financial year 2020-21 are as under:

Name of Director(s)	Sitting fees (₹)	Stock options granted	Shareholding in theCompany	% of Total Shareholding
Shri Sathiababu Krishnan Kallada	8,000	Nil	Nil	Nil
Shri Dattatray Galpalli	40,000	Nil	Nil	Nil
Shri Velji K. Gogri	60,000	Nil	9300	0.03
Shri Dhirajlal D. Gala	64,000	Nil	Nil	Nil
Smt. Jeenal K. Savla	60,000	Nil	Nil	Nil
Shri Mulesh M. Savla	64,000	Nil	Nil	Nil

Transactions with the Non-executive Directors – The Company does not have material pecuniary relationship or transactions with its Non-executive Directors except the payment of sitting fees for attending the meetings of Board / Committees, as disclosed in this Report.

Board evaluation – The process for evaluation of performance of the Board has been established. Accordingly, an annual evaluation has been carried out through a questionnaire having qualitative parameters in terms of the provisions of the Companies Act, 2013, Regulations 17 and 25 of the Listing Regulations. The performance was evaluated on the basis of the criteria such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience, etc.

Independent Directors Evaluation – The criteria for performance evaluation include areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness.

The performance evaluation of Independent Directors is carried out by the Board of Directors without presence of the Director being evaluated.

(iv) Corporate Social Responsibility (CSR) Committee – The Corporate Social Responsibility (CSR) Committee has been constituted as per the requirements of Section 135 of the Companies Act, 2013.

Composition, Meetings and Attendance – During the Financial Year 2020 – 21 Corporate Social Responsibility Committee met one time. The Composition of the Committee, date of the meetings and attendance of Corporate Social Responsibility Committee members in the said meeting is given below –

Members	Category	Meeting Date	May 25, 2020
		Start Timing	10:00 am
Shri Velji K. Gogri (Chairman)	Independent	1	√
Shri Bijal D. Modi	Executive Director	1	√
Shri Arvind K. Chheda	Executive Director	1	√

Terms of reference – The broad terms of reference of CSR Committee includes the following:

1) 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 to the Companies Act, 2013, as amended, read with Rules framed thereunder;

2) recommend the amount of expenditure to be incurred on such activities; and

3) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board has also approved CSR Policy. The Annual Report on CSR Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

v) **Risk Management Committee –** The Board of Directors has constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of the Listing Regulations.

Composition, Meetings and Attendance – During the Financial Year 2020 – 21 Risk Management Committee:

Members	Category	Meeting Date	February 09, 2021
		Start Timing	10:00 am
Shri Dineshkumar S. Shah (Chairman)	Executive Director	1	√
Shri Bijal D. Modi	Executive Director	1	√
Shri Arvind K. Chheda	Executive Director	1	√

4. GENERAL BODY MEETINGS

i. Details of Last three Annual General Meetings are as under –

Financial Year	Day, Date & Time	Venue	Special Resolutions passed for
2017-18 (13th AGM)	Friday, September 29, 2018, 11:00 a.m.	Prasad Food Divine, Mulund-Goregaon Link Road, Opposite D Mart, Mulund West, Mumbai- 400080	a) Resolution under section 180 (1) (c) of the Companies Act, 2013 to increase borrowing limits upto ₹ 100 Crores. b) Resolution under section 186 of the Companies Act, 2013 to increase Investments limits upto ₹ 50 Crores.
2018-19 (14th AGM)	Monday, September 30, 2019 3:00 p.m.	Prasad Food Divine, Mulund-Goregaon Link Road, Opposite D Mart, Mulund West, Mumbai- 400080	a) Resolution under Section 149 of Companies Act, 2013 to re-appoint Shri Dhirajlal D. Gala as an Independent Director for the period of 3 (Three) years. b) Resolution under Section 149 of Companies Act, 2013 to re-appoint Smt Jeenal K. Savla as an Independent Director for the period of 3 (Three) years. c) Resolution to approve "Valiant Restricted Stock Unit Incentive Plan FY 2020
2019-20 (15th AGM)	Monday, September 29, 2020 11:30 a.m.	(through Video Conferencing)	a) Resolution under Section 149 of Companies Act, 2013 to re-appoint Shri Velji K. Gogri as an Independent Director for the period of 3 (Three) years.

ii. Details of resolutions passed by way of postal ballot –

2020-21	Monday, July 13, 2020	Resolution under Regulation 277 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the applicable provisions, if any, of the Companies Act, 2013, and the rules framed there under, including any amendment, modification, variation or re- enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded for purpose of migration of Company's Shares from BSE SME Segment to the Main Board of BSE Limited.

5. MEANS OF COMMUNICATION

Quarterly and annual financial results are published in Financial Express (English) edition and Navshakti Mumbai edition.

These results and official press releases are also available on the website of the Company (www.valiantorganics.com). All data required to be filed electronically or otherwise pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding pattern, report on Corporate Governance are being regularly filed with the Stock Exchange, BSE Ltd. (www.bseindia.com) and available on their websites as well.

6. GENERAL SHAREHOLDERS INFORMATION

i. The Day, date and time of the 16th Annual General Meeting:

Day	Date	Time
Wednesday	29/09/2021	11.30 A.M

* Deemed Venue for the meeting shall be registered office of the Company.

ii. Tentative Financial Calendar:

Financial Year	April 1, 2021 to March 31, 2022
Adoption of Quarterly Results for the quarter ending :	
June, 2021	1st/2nd week of August, 2021
September, 2021	1st/2nd week of November, 2021
December, 2021	1st/2nd week of February, 2022
March, 2022	1st/2nd/3rd week of May, 2022

iii. Cut -Off Date for e-voting: Wednesday, September 22, 2021

iv. Date of Payment of Dividend: NA

v. Listing on Stock Exchanges:

Stock Exchange	Stock Code/Symbol
BSE Ltd. **Address:** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	540145
National Stock Exchange of India Limited **Address:** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E)	VALIANTORG

vi. Listing Fees and Annual Custodian Fee:

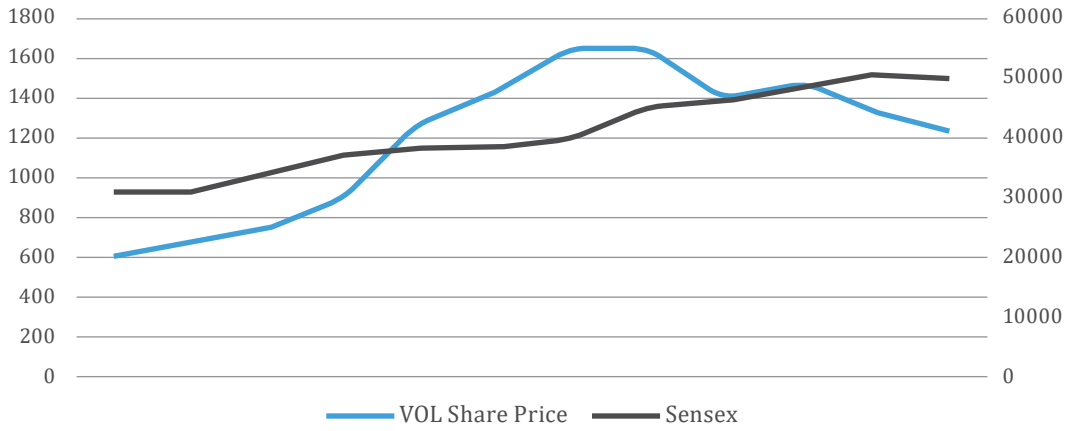
The Company has paid the Annual Listing Fees to the Stock Exchange and Annual Custodian fee to National Securities Depositories Limited and CDSL for the year 2021-22.

vii. Market Price Data: High Low during each month in last financial year:

Month	BSE Ltd. (BSE)		
	High (₹)	Low (₹)	Volume
April, 2020	1493	999	31500
May, 2020	1595	1251	61500
June, 2020	1650	1276	86400
July, 2020	1997	1600	254550
August, 2020	3142.7	1882	301050
September, 2020	3099	2600	942021
October, 2020	3750	2850	154721
November, 2020	3851	2957.3	78641
December, 2020	3454	1530	71149
January, 2021	1605	1350	75233
February, 2021	1500	1251.25	98761
March, 2021	1348.45	1121.2	135007

viii. Performance in comparison to broad based indices BSE Sensex:

Month	VOL	Sensex
April, 2020	1233.95	30966.01
May, 2020	1357.36	31294.25
June, 2020	1468.91	34262.88
July, 2020	1796.01	37030.10
August, 2020	2537.76	38346.59
September, 2020	2873.34	38378.98
October, 2020	3314.68	40115.38
November, 2020	3302.55	45011.38
December, 2020	2812.60	46211.84
January, 2021	1460.13	48580.23
February, 2021	1339.93	50782.82
March, 2021	1247.94	50100.65



ix. Registrar and Transfer Agent

M/s. Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
e-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The shareholders are requested to address all their communications/suggestions/ grievances to the Registrar and Transfer Agents at the above address.

x. Share Transfer System:

The Stakeholders' Relationship Committee comprising Shri Mulesh M. Savla, Shri Dhirajlal D. Gala and Shri Arvind K. Chheda meet for approval of the transfer, dematerialisation, etc. Reports on Share Transfer/ Transmission are placed before the Board from time to time.

x. Shareholding Pattern as on March 31, 2021

Category	No. of Shares	%
Promoters	1,15,82,724	42.66
Mutual Funds	6,97,763	2.57
Foreign Portfolio Investor	5,03,578	1.85
Public	1,35,12,246	49.76
Bodies Corporate	2,36,242	0.87
Others	6,20,935	2.28
Total	**2,71,53,488**	**100**

xi. Distribution of Shareholding as on March 31, 2021

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
1-2500	14199	97.8634	1708715	6.2928
2501-5000	125	0.8615	427778	1.5754
5001-10000	75	0.5169	521515	1.9206
10001-15000	10	0.0689	121606	0.4478
15001-20000	9	0.062	159050	0.5857
20001-25000	2	0.0138	44508	0.1639
25001-50000	21	0.1447	729654	2.6871
Above 50001	68	0.4687	23440662	86.3265
Total	**14509**	**100**	**27153488**	**100**

xii. Dematerialisation of shares and liquidity

98.79% of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2021 under ISIN No:**INE565V01010**.

Particulars	NSDL	CDSL	Physical	Total
Shares (nos.)	19896573	6927219	329696	27153488
Shares (%)	73.27	25.51	1.21	100.00

xiii. Liquidity of Shares

The Shares of the Company are traded under 'B' Category at BSE Ltd.

xiv. ADRs/GDRs/Warrants

The Company has not issued any ADRs/GDRs/Warrants.

xv. Commodity Price Risk or Foreign exchange risk and hedging activities

During the year 2020-21, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 35 to the Annual Accounts.

xvi. Plant Locations

- Plot Nos.2906, 752/755, GIDC Estate, Phase III, Sarigam, Vapi – 396 195, Dist. Valsad, Gujarat.
- Plot No. M-7 MIDC Tarapur, Boisar, Taluka Palghar-401506
- Plot no, 286/2 A-1322/11, 2nd Phase, Vapi - 396195, Gujarat
- Plot No. 775,776,777, 915,918,919 GIDC, Jhagadia, Dist- Bharuch, Gujarat-393110
- Plot No.A-210,231,232.233,235,236, GIDC Estate, Phase-II, Vatva, Ahmedabad, Gujarat,382445

xvii. Address for correspondence

- Registered office: 109, Udyog Kshetra, 1st Floor, Mulund-Goregaon Link Road, L.B.S. Marg, Mulund (West), Mumbai-400 080

xviii. List of all credit rating

During the year Crisil rating has upgraded Long term issuers ratings of the Company to A+ Following is the summary of latest credit ratings obtained of the Company:

Facilities	CRISIL Rating
Long Term Issuers Rating Covering various term loan and Working Capital	A+

xix. Details with respect to Demat Suspense Account/Unclaimed Suspense Account as per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Demat		Physical	
	No. of Shareholders	No. of equity shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	-	-	-	-
Number of shareholders who approached the Company for transfer of shares from suspense accounts during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Shares Transferred to IEPF A/c	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	Nil	Nil	Nil	Nil

xx. CEO/CFO Certification

As required under Regulations 17(8) and 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates are duly signed by Shri Arvind K. Chheda and Shri Piyush Lakhani, CFO were placed at the Meeting of the Board of Directors held on May 25, 2021.

7. DISCLOSURES

i. During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts.

As required under Regulation 23(1) of SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on dealing with related party transactions. The said Policy is also available on the website of the Company. The weblink thereto is https://www.valiantorganics.com/assets/investors/Related-Party-Transaction-Policy.pdf

ii. There was No Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behaviour, fraud or violation of Company's code of conduct. The same has been put up on the website of the Company on following web-link: http://www.valiantorganics.com/assets/investors/Whistle%20Blower%20Policy.pdf

The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the people has been denied access to the Audit Committee.

iii. The Company has complied with all the mandatory requirements under Securities and Exchange Board of India (LODR) Regulations, 2015.

To determine 'material subsidiary', the Company has adopted a 'Policy for Determining Material Subsidiary' and the same has been hosted on the website of the Company on the following web link; https://www.valiantorganics.com/assets/investors/Policy-for-Material-Subsidiary.pdf

iv. There were no instances during the financial year 2020-21 wherein the Board had not accepted recommendations made by any committee of the Board.

v. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part

Particulars	
Audit Fees	8,75,000
Certification Charges	10,000
Out of pocket expenses	10,000
Total	**8,95,000**

vi. Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

vii. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of Securities Exchange Board of India (LODR) Regulations, 2015.

viii. 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.

8. DISCRETIONARY REQUIREMENTS

The status of compliance with discretionary requirements of Part E of schedule II of SEBI (LODR) Regulations, 2015 with Stock Exchanges is provided below:

Sr. No.	Particulars	Remarks
1.	Non-executive Chairman's Office	The Company has Non-executive Chairman.
2.	Shareholders' Rights	As the quarterly and half-yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3.	Audit Qualifications	The Company's financial statement for the year 2020-21 is unmodified
4.	Separate posts of Chairman and CEO	The Company has separate post of Chairman and MD/CEO.
5.	Reporting of Internal Auditor	The Internal Auditor reports to Chairman & Managing Director and has direct access to the Audit Committee

For and on behalf of the Board

Place: Mumbai
Date: August 14, 2021

Velji K. Gogri
Chairman

MD Certification

All the Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct laid down by the Board of Directors in term of Regulation 175(5) (a) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on Behalf of the Board

Sd/-
Arvind Kanji Chheda
Managing Director
DIN: 00299741

Place: Mumbai
Date: August 14, 2021

Auditors' Certificate on Corporate Governance

To
The Members of Valiant Organics Limited
109, Udyog Kshetra,
1st Floor, Mulund Goregaon Link Road
Mulund West
Mumbai -400080

Dear Members,

BACKGROUND:

We, Gokhale and Sathe, Chartered Accountants, being the Statutory Auditors of Valiant Organics Limited ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Valiant Organics Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021.

MANAGEMENT RESPONSIBILITY:

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the **"Board"**) and of committees of the Board, the annual general meetings of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **"SEBI Listing Regulations"**).

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance.

RESTRICTION ON USE:

This Certificate is issued to the Company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

DISCLAIMER:

Such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Yours faithfully,

For **Gokhale and Sathe**
Chartered Accountants
Firm Registration No: 103264W

Tejas Parikh
Partner
Membership: 123215
UDIN: 21123215AAAAFC8962

Place: Mumbai
Date: 7th August 2021

Business Responsibility Reporting

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Co Corporate Identity Number (CIN) of the Company	L24230MH2005PLC151348
2	Name of the Company	VALIANT ORGANICS LIMITED
3	Registered Office Address	109, Udyog Kshetra 1st Floor, Mulund Goregaon Link Road Mulund west Mumbai-400080.
4	Website	www.Valiantorganics.com
5	E-Mail id	investor@valiantorganics.com
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Chemical 201
8	List three key products/services that the Company manufactures/provides	Agro-chemical, Pharmaceutical, Dyes.
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	6 Manufacturing Facilities
10	Markets served by the Company – Local/State/National/International	All local, State, National and International.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	As on March 31, 2021 total paid up capital of the Company stood at ₹ 27,94,30,490 consisting of 2,71,53,488 Equity shares of ₹ 10/- each, 4,05,561 Optionally Convertible Preference Shares of ₹ 10 each and 38,400 Redeemable Non-cumulative preference shares of ₹ 100 each respectively.
2	Total Turnover (INR)	As on March 31, 2021 the turnover of the Company is ₹ 57,423.86 lakhs
3	Total profit after taxes (INR)	As on March 31, 2021 the net profit of the Company is ₹ 11,459.17 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer the summary of CSR spending from Annexure 'A'- Annual report on Corporate Social Responsibility (CSR) Activities
5	List of activities in which expenditure in 4 above has been incurred:-	Please refer Annexure 'A'- Annual report on Corporate Social Responsibility (CSR) Activities.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	The Company has 2 subsidiary as on March 31, 2021: 1) Valiant Laboratories Ltd (Erstwhile Bharat Chemical Ltd) 2) Valiant Speciality Chemical Limited 3) Dhanvallabh Ventures LLP
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	Business Responsibility initiatives of the parent Company are applicable to subsidiary companies to the extent that they are material in relation to business activities of the subsidiaries.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for implementation of the BR Policy / policies

1	DIN Number (if applicable)	00299741	00128389
2	Name	Arvind Kanji Chheda	Mahek Manoj Chheda
3	Designation	Managing Director and BR head	Whole Time Director and Chief Financial Officer
4	Telephone number	022-67976683	022-67976683
5	e-mail id	investor@valiantorganics.com	investor@valiantorganics.com

2. Principle-wise (as per Non Voluntary Guidelines) BR Policy/policies

1. Details of compliance (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Employee Welfare	Stakeholders Engagement	Human Rights	Safety Health and Environment	Public Policy	CSR	Customer Centricity
1	Does your Company have Policy/policies for	Yes, Companies code of conduct sets out the principles/practice that must be observed towards business partner and Third parties.								
2	Has the Policy being formulated in consultation with the relevant stakeholders?	Yes, while formulating the Policy documents- rights and obligations of concerned stakeholders are analysed in view of best industry Practices.								
3	Does the Policy conform to any national/international standards? If yes, specify?	Yes, Integrity, transparency and fairness are the cornerstones within the Company. The Company believes in benchmarking practices and global standards-to the best possible extent.								
4	Has the Policy being approved by the board? If yes, has it been signed by MD/Owner /CEO/ appropriate Board Director	All statutory Policies and codes are adopted considering prevailing Legal requirements and approvals of respective body (Board of directors, its Committees and Company Management) Yes Policies are signed by the Managing Director.								
5	Does the Company has a specified committee of the board/director/ official to oversee the implementation of the Policy?	Implementation mechanism of all the policies and Codes is presented to and reviewed by the respective body periodically.								
6	Indicate the link for the Policy to be viewed online?	https://www.valiantorganics.com/investors.php?action=showSubcat&id=9								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders?	Yes, requisite awareness programmes are carried out and communicated to all the stakeholders, which help them understand behavioural expectation from them.								
8	Does the Company have in-house structure to implement the Policy/policies?	In critical areas such as safety, advance trainings and workshops with specific focus have been conducted from time to time.								
9	Does the Company have a grievance related to the Policy/policies to address the stakeholders grievances related to the Policy/policies?	Company/vigil mechanism/whistle blower Policy is an effective tool towards grievance redressal mechanism.								
10	Has the Company carried out independent audit/ evaluation of the working of this Policy by and internal or external agency?	In addition to the Statutory Audits, Certification, a periodical internal assessment is a part of our culture to oversee implementation of principle laid down.								

3. **Governance related to BR**

   a. Indicate the frequency with which the Board of Directors, Committee of the board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: **Annually**

   b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

   This is the first BR report of the Company as Company fulfils the criteria mentioned in Regulation 32(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. BR report forms an integral part of Annual Report and uploaded on the website of the Company at https://www.valiantorganics.com/investors.php?action=showSubcat&id=3in Annual Report section.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the Policy relating to ethics, bribery and corruption cover only the Company? **No**

   Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others? **Yes**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Company has adopted the Code of Conduct ('CoC' or 'Code') with the aim to follow and maintain the highest ethical and moral standards, in compliance with the applicable laws, and in a manner that excludes considerations of direct and indirect personal advantage / gains.

   The Code applies to every employee, director and officer of the Company, suppliers, customers, contract staff, contractors and consultants who are working on behalf of / for the Company (through outsourcing of services, processes or any business activity), are required to act consistently in accordance with the CoC.

   An effective vigil mechanism/whistle blower Policy is in place to report to the management, instances on unethical behaviour and any violation of the Company's Code of Conduct. The Company has instituted a Committee to redress complaints received regarding sexual harassment. No complaint was received in 2020- 21.

   During the year no complaints of shareholders were received through SEBI Scores portal.

Principle 2: Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company deals in goods, services and processes that are safe and contribute to sustainability throughout their lifecycle. The Company has constantly reduced its hazardous waste generation, improved on water conservation and energy consumption. We have also adopted new technologies to optimally use available natural resources to improve our environment footprint.

The Company practices 'safety first' for its employees and stakeholders in all its operations. In doing so, the Company maintains detailed, up-to-date programs covering Safety, Health, Environment, Fire, Security, Compliance, Hazards communication, and Emergency Preparedness, etc. The Company is actively committed to the continuous improvement in the standards of Safety and Health at the workplace.

- **Product labelling**
  The Company strives to provide customers with appropriate labelling and signage. The Company discloses all required information truthfully and factually including the risks to the individual. Where required, the Company also educates their customers on safe and responsible usage of their products including guidelines for product handling, storing at customers end, while the same is visibly placed on all product packaging.

- **Sustainable sourcing**
  The Company believes in and follows a Responsible Sourcing Policy with utmost focus on environmental and social aspects. Identification of a supplier is always on the basis of its long term capabilities, technological competencies, growth plan and commercial competitiveness.

The Company ensures the sustainability of resources by reducing, reusing, recycling and managing waste.

Principle 3: Welfare of Employees

Businesses should promote the wellbeing of all employees

The Company works consistently to provide workplaces free of discrimination and harassment on the basis of gender, ethnic background, religion, age, disability or sexual orientation. This diversity is promoted and respected without exception.

Every person is entitled to fair and respectful treatment. The Company is committed to a diverse working environment, in which each person's uniqueness is recognised and every individual is treated with courtesy, honesty, and dignity. Harassment, bullying or intimidation is not tolerated.

The Company ensures the compliance of employee related applicable statutes which guarantee the social security benefits, proper and safe working environment, wages, timely payment, bonus, leave benefits, working hours, breaks, maintaining hygiene, health, prohibition of child labour and respecting their fundamental and human rights.

The Company's Policy prohibits engaging of any child labour or involuntary labour. There were no complaints relating to child labour, forced labour, and involuntary labour during the year.

Principle 4: Stakeholders' Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company deals with all its stakeholders with fairness and integrity. The Company acknowledges its responsibility towards its stakeholders and is committed to engaging with all concerned stakeholders who are directly or indirectly affected by the business processes and decisions. The Company endeavours to understand their concerns, defines purpose and scope of engagement, commits to engaging with them and resolves differences with stakeholders in a just, fair and equitable manner. The Company acknowledges and assumes responsibility by being transparent about the impact of its policies, decisions, product & services and associated operations on the stakeholders.

Principle 5: Human Rights

Businesses should respect and promote human rights.

Respect for human rights is an integral part of our corporate responsibility. The Company respects the dignity and individual rights of every employee and colleagues as well as third parties associated with its business. The Company ensures that human rights enshrined in the Constitution of India and the International law on Human rights is not violated across its operations. The Company ensures that all individuals impacted by the business have access to grievance mechanisms. No such complaints were received during the period under review.

Principle 6: Environment, Health and Safety

The Company strives to benchmark its environment, health and safety to international standards to ensure utmost people-centricity. Under health and safety, the Company has undertaken proactive measures in protecting the health and safety of its employees and contractual workers, such as sanitisation of the offices and manufacturing facilities on a periodic basis, thermal screening, ensuring social distancing and wearing of masks and PPE kits. Further, the Company also inculcates safety training to its employees and contractual workers, and undertakes necessary safety management procedures, which makes it OHSAS 18001:2007-certified.

Further, as a sustainability focus, the Company strives to ensure minimal to zero discharge of pollutants from its manufacturing facilities. The seriousness of our focus on sustainability is validated by the fact that 4 of our manufacturing facilities are Zero Liquid Discharge units. Further, the Company also understands the need of reducing the use of conventional energy in the process. In doing so, the Company has focused on converting high-pressure steam from manufacturing processes to power the plants, which has also helped in cost savings.

Principle 7: Policy Advocacy Businesses

The Company is a member of various trade chambers and associations which provide a platform to get actively involved in trade promotion, technology up-gradation, quality enhancement and collection and dissemination of information pertaining to regulatory reforms, its impact, industry's growth and development.

The membership aspires to identify opportunities to bolster domestic manufacturing, fostering innovation, enhancing skill development, protecting intellectual property and building best-in-class manufacturing infrastructure in the country.

The Company utilises the following trade and industry chambers and associations to undertake Policy advocacy.

- CHEMEXCIL – Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council
- The Gujarat Dyestuffs Manufacturers Association
- The Gujarat Chamber of Commerce and Industry
- Saykha Industries Association & Saykha CETP
- Jagadia Industry Association
- Vapi Industrial Association
- Tarapur Industrial Manufacturers Association (TIMA) Maharashtra

Principle 8: Inclusive Growth and Equitable Development

Businesses should support inclusive growth and equitable development.

As part of fulfilling its responsibility as a corporate citizen, the Company is committed to operate business in an economically, socially & environmentally sustainable manner. We endeavour

to reach out to different sections of the society, with socially relevant projects that benefit these communities and enhance the quality of their lives.

We aim to constantly identify and implement unique initiatives which are scalable and sustainable and which have the capacity to create a positive impact on the lives of people –especially the weaker and underserved sections. By contributing to the development of health, science and culture, we wish to further all-round progress.

Principle 9: Customer Centricity

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Company's manner of conducting business is based on fairness, mutual respect, and integrity. Taking into account ecological and social criteria along the entire value chain and reducing the consumption of resources are firmly anchored in the Company's corporate principles. Our mission is to become a customer-driven Company by providing customised solutions and services to meet changing customer requirements, use the best, cost-effective manufacturing methods supported by proven, eco-friendly, and safe technologies and to encourage and nurture an inclusive organisational culture. Our customers include end-user industries to which we supply our products. We regularly interact with the customers to understand their needs. The areas of focus identified during the engagement are quality and timely delivery of the products and technical support during product application.

The Company strives to always deliver the highest quality to its customers, while maintaining cost efficiency and reliability of supply. Modern quality management techniques and integrated planning across the entire supply chain ensure that all of these requirements are being met. Commitment to quality and innovation coupled with sophisticated technological expertise and an in-depth understanding of systems, are key to our success.

For and on behalf of the Board

Sd/-
Arvind Chheda
Managing Director
DIN: 00299741

Place: Mumbai
Date: August 14, 2021

Financial Statements

Independent Auditors' Report on Standalone Financial Statements

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 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical 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 obtained by us 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	Auditors' Response
Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work-in-progress) as on 31 March 2021 of ₹ 52,301.95 lakhs (₹ 38,165.04 lakhs as on 31 March 2020) include ₹ 24,018.52 lakhs capitalised /transferred from capital work in progress during the year (₹ 13,830.81 lakhs for the year ended 31 March 2020). Capital expenditure involves management's technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company. Refer note no. 4 to the Standalone Financial Statements.	**Our audit procedures, amongst others, include the following –** ▪ Obtained an understanding of operating effectiveness of management's internal controls over capital expenditure. ▪ We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16 - Property, Plant and Equipment. ▪ We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment. ▪ We have verified the capitalisation of borrowing cost incurred on qualifying assets in accordance with the Indian Accounting Standard 23 - Borrowing Costs. ▪ Confirmed adequacy of disclosures in the Standalone Financial Statements.

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

The Board of Directors of the Company is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Board of Directors of the Company 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 financial reporting process of the Company.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 judgement and maintain professional skepticism 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 control 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 the Management.

- Conclude on the appropriateness of use of the going concern basis of accounting by the Management 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 Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

We 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 purpose of our audit.

   b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.

   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 has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note no 40 to the Standalone Financial Statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 21123215AAAADF9312

Place: Mumbai
Date: 25 May 2021

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

Referred to in para 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

1. 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 discrepancy was 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 explanation 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 and in respect of immovable properties taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company, except for:

Particulars of land and building	Carrying value as of 31 March 2021 (₹ in Lakhs)	Name of entity on the title deed
Plot No. 286/2 & A-1 322/11 at Vapi GIDC, Gujarat	49.90	Amarjyot Chemical Limited*
Plot no 231,232,233,235,236 at Vatva Ahmedabad GIDC, Gujarat	16.48	Dispo Dye Chem Pvt. Ltd.*
Land (plot no. 540 and 541) at Sayakha, Gujarat.	1,314.70	Amarjyot Chemical Limited*
Plot No. 915, 775, 776, 777 at Jhagadia, Gujarat	1,057.64	Amarjyot Chemical Limited*
Plot No. C-1 + 2/B at GIDC Estate, Bharuch, Gujarat	296.59	Aarti Industries Limited (Seller of leasehold rights)

*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.

2. The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties, confirmation of such stocks with the third parties has been obtained by the Company. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of stocks as compared to book records were not material. However, the same have been dealt with in the books of account.

3. 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.

4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.

6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us, in respect of statutory dues:

   a. The Company has been generally regular in depositing undisputed statutory dues, including

Provident Fund Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they become payable.

b. There are no dues of income tax, sales tax, VAT, GST, custom duty, Entry Tax, PF Act, ESIC which have not been deposited on account of any dispute except as mentioned below:

Name of statute	Nature of dues	Forum where dispute is Pending	Period to which the amount relates	Amount involved (₹ In Lakhs)	Unpaid Amount (₹ In Lakhs)
GST Act	GST (Interest and Penalty)	Assistant Commissioner	FY 2017-18	125.97	111.98
Income Tax Act	Income Tax	Commissioner of Income-tax (Appeals)	AY 2014, 2015, 2016 & 2017	121.68	121.68

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues for loans taken from banks. The Company has not taken any loans from financial institutions and Government and has not issued debentures.

9. The Company have not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments). In our opinion and according to the information and explanation given to us, the term loans raised during the year were applied for the purposes for which these loans were obtained.

10. To the best our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transaction with its directors or directors of its subsidiary Company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 21123215AAAADF9312

Place: Mumbai
Date: 25 May 2021

Annexure B to the Independent Auditor's Report on Standalone Financial Statements

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

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

We have audited the internal financial controls over financial reporting of Valiant Organics Limited ("the Company") as on March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements include 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 Standalone 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 Standalone Financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 21123215AAAADF9312

Place: Mumbai
Date: 25 May 2021

Standalone Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
I ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	47,712.85	25,252.86	12,344.44
(b) Right of Use Assets	5	42.97	28.05	31.49
(c) Capital Work-in-Progress	4	4,589.10	12,912.18	6,556.06
(d) Goodwill	6	-	281.59	657.04
(e) Other Intangible Assets	7	1.49	2.79	2.85
(f) Financial Assets				-
(i) Investment in Subsidiaries	8.1	3,949.15	1,454.09	722.61
(ii) Other Investments	8.2	233.70	1,810.81	3,392.23
(iii) Loans	9	523.87	543.30	358.09
(g) Other Non-Current Assets	10	931.32	1,540.85	855.21
Total Non-Current Assets		**57,984.45**	**43,826.51**	**24,920.02**
Current assets				
(a) Inventories	11	6,602.55	4,092.74	3,891.55
(b) Financial Assets				
(i) Investments	12	14.02	117.48	1,043.41
(ii) Trade Receivables	13	11,661.41	11,079.84	12,090.17
(iii) Cash and Cash Equivalents	14	863.00	754.69	272.81
(iv) Bank Balances Other than Cash & Cash Equivalents	15	315.09	302.83	32.74
(v) Loans	16	66.85	62.92	35.75
(c) Other Current Assets	17	2,524.49	2,225.25	1,149.21
(d) Current Tax Assets (Net)	18	480.34	439.55	-
Total Current Assets		**22,527.77**	**19,075.29**	**18,515.65**
TOTAL ASSETS		**80,512.22**	**62,901.80**	**43,435.66**
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	19.1	2,715.35	1,214.92	586.44
(b) Optionally Convertible Preference Shares	19.1	40.56	183.31	-
(c) Share Capital Pending Allotment	19.2	-	-	811.80
(d) Other Equity	20	47,473.97	37,358.33	27,578.26
Total Equity		**50,229.87**	**38,756.56**	**28,976.49**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
- Borrowings	21	7,489.13	8,084.87	4,041.44
(b) Provisions	22	83.26	24.11	85.75
(c) Deferred Tax Liabilities (net)	23	1,974.51	1,433.76	1,375.46
Total Non-current Liabilities		**9,546.91**	**9,542.74**	**5,502.65**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	5,107.70	2,214.41	742.07
(ii) Trade Payables	25			
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and		-	-	-
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		10,418.67	8,397.91	6,976.42
(iii) Other Financial Liabilities	26	4,553.81	3,550.54	755.02
(b) Other Current Liabilities	27	150.51	116.12	82.69
(c) Provisions	28	504.75	323.52	241.02
(d) Current Tax Liabilities (Net)	29	-	-	159.31
Total Current Liabilities		**20,735.44**	**14,602.50**	**8,956.52**
TOTAL EQUITY AND LIABILITIES		**80,512.22**	**62,901.80**	**43,435.66**

1. The above Balance Sheet should be read in conjunction with the accompanying notes.
2. 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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Standalone Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Lakhs except EPS)

Sr No.	Particulars	Notes	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
I	Revenue from operations	30	57,423.86	58,357.66
II	Other Income	31	1,689.95	521.15
III	**Total Revenue (I + II)**		**59,113.81**	**58,878.81**
IV	**Expenses**			
	Cost of materials consumed	32	29,257.79	31,014.70
	Purchase of stock-in-trade	33	1,539.45	390.13
	Changes in inventories of finished goods, work-in-progress and stock in trade	34	(979.57)	324.92
	Employee benefit expenses	35	2,670.65	2,049.05
	Finance Costs	36	348.63	104.27
	Depreciation, Amortization and Impairment Expenses	37	1,863.24	1,304.48
	Other Expenses	38	9,209.32	7,238.06
IV	**Total Expenses**		**43,909.51**	**42,425.59**
V	**Profit Before Tax (III - IV)**		**15,204.30**	**16,453.22**
VI	Tax Expense:			
	Current Tax		3,080.00	4,000.00
	Short/(Excess) Provision of earlier year		-	14.64
	Deferred Tax Charge		665.12	45.83
	Total Tax Expense		**3,745.12**	**4,060.48**
VII	**Profit for the year (V - VI)**		**11,459.17**	**12,392.74**
VIII	**Other comprehensive income:**			
	(i) Items that will not be reclassified to profit or loss in subsequent year			
	Re-measurement of the net defined benefit plan		(55.95)	(34.28)
	Fair value changes of various financial instruments		888.91	70.45
	(ii) Income tax relating to items that will not be reclassified to profit & loss			
	Deferred tax on re-measurement of the net defined benefit plan		11.59	1.77
	Current tax on various financial instruments		(263.00)	-
	Deferred tax on fair value changes of various financial instruments		112.78	(14.23)
VIII	**Total Other Comprehensive Income for the year, net of tax**		**694.33**	**23.71**
IX	**Total Comprehensive Income for the year (VII + VIII) (Total of Profit and Other Comprehensive Income for the year)**		**12,153.51**	**12,416.45**
	Earning per equity share of ₹ 10/- each (PY: ₹ 10/- each)	39		
	(1) Basic		44.69	51.00
	(2) Diluted		40.98	44.32

1. The above statement of Profit and Loss should be read in conjunction with the accompanying notes.
2. 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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Standalone Statement of Changes in Equity

for the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as on April 1, 2019	Changes in equity share capital during the period	Balance as on March 31, 2020	Changes in equity share capital during the period	Balance as on March 31, 2021
Ordinary Equity Shares	586.44	628.49	1,214.92	1,500.43	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	-	183.31	183.31	(142.75)	40.56
Share Capital Pending Allotment	811.80	(811.80)	-	-	-
Total	**1,398.23**	**-**	**1,398.23**	**1,357.67**	**2,755.90**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and surplus			Equity instruments through Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Retained earnings		
Balance as at 01st April 2019 - Under IGAAP	7,846.30	1,375.12	15,277.24	-	24,498.66
Changes in opening balances pursuant to transition to Ind AS	-	-	-	3,079.60	3,079.60
Revised Opening Balance as at 01st April 2019 - Under Ind AS	**7,846.30**	**1,375.12**	**15,277.24**	**3,079.60**	**27,578.26**
Net profit for the year	-	-	12,392.74	-	12,392.74
Fair value changes of various Financial intruments (net off tax)	-	-	-	56.22	56.22
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-	-	(32.51)	-	(32.51)
Transfers from Retained earnings to General reserves	-	1,389.85	(1,389.85)	-	-
Amount utilized for Dividend and Dividend Distribution Tax	-	-	(2,636.37)	-	(2,636.37)
Balance as at 31st March 2020	**7,846.30**	**2,764.97**	**23,611.25**	**3,135.82**	**37,358.33**
Bonus Issue during the year	-	-	(1,357.67)	-	(1,357.67)
Expenses incurred for issuance of Bonus Shares	-	-	(1.36)	-	(1.36)
Net profit for the year	-	-	11,459.17	-	11,459.17
Fair value changes of various Financial intruments (net off tax)	-	-		738.69	738.69
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-	-	(44.36)	-	(44.36)
Transfer to retained earnings on disposal of FVTOCI equity instruments			3,660.99	(3,660.99)	-
Transfers from Retained earnings to General reserves	-	1,145.92	(1,145.92)	-	-
Amount utilised for Dividend	-	-	(678.84)	-	(678.84)
Balance as at 31-March -2021	**7,846.30**	**3,910.88**	**35,503.27**	**213.52**	**47,473.97**

1 The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.
2 Previous Year's figures are regrouped / rearranged wherever required.
3 Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹ 76.87 Lakhs (PY ₹ 32.51 Lakhs).
4 Refer Note 20 for nature and purpose of reserves.

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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

Mr. Piyush Lakhani
(Chief Financial Officer)

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

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Standalone Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
(A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**15,204.30**	**16,453.21**
	Adjustments		
	Add:		
	Finance Cost	348.63	104.27
	Profit /(Loss) on Property, Plant and Equipment (PPE)	-	1.00
	Depreciation, Amortization and Impairment Expenses	1,863.24	1,304.48
	Less:		
	Interest Income	31.15	23.59
	Gains on Sale/Redemption of Investments	(0.00)	62.93
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	0.26	-
	Profit on Investment in Subsidiary	1,495.06	141.48
	Dividend Income	3.34	21.27
	Operating Profit Before Working Capital Changes	**15,886.36**	**17,613.69**
	Adjustments		
	Add/(Less):		
	(Increase)/Decrease in Trade Receivables	(581.57)	1,010.33
	(Increase)/Decrease in Inventories	(2,509.81)	(201.19)
	(Increase)/Decrease in Loans	15.49	(212.38)
	(Increase)/Decrease in Other Current Assets	(378.15)	(1,515.58)
	(Increase)/Decrease in Other Non-Current Assets	(40.79)	-
	Increase/(Decrease) in Trade Payable	2,020.77	1,421.49
	Increase/(Decrease) in Provisions	196.03	(172.74)
	Increase/(Decrease) in Other Current Liabilities	34.39	33.44
	Increase/(Decrease) in Financial Liabilities	84.49	2,027.52
	Cash Generated from Operation	**14,727.20**	**20,004.58**
	Direct Taxes Paid	(3,270.00)	(4,014.64)
	Net Cash Flow from Operating Activities (A)	**11,457.20**	**15,989.94**
(B)	**Cash Flow from Investing Activities**		
	Acquisition of Property, Plant and Equipment and CWIP (net)	(15,734.99)	(20,199.39)
	Sales Proceeds of Property, Plant and Equipment (PPE)	3.07	8.32
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	(0.26)	-
	Bank Balances not considered as Cash and Cash Equivalents	(12.27)	(270.09)
	Capital Advances	609.53	(685.63)
	Interest Income	31.15	23.59
	Sales Proceeds from disposal of investments	2,562.70	2,640.73
	Investment in Subsidiary	(1,000.00)	(590.00)
	Dividend Income	3.34	21.27
	Net Cash Flow from Investing Activities (B)	**(13,537.73)**	**(19,051.20)**

Standalone Statement of Cash Flows (contd.)

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
(C) Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short-Term Borrowings	2,893.28	1,472.35
Proceeds/(Repayment) of Long-Term Borrowings	323.04	4,811.43
Payment of Dividend & Tax thereon	(678.84)	(2,636.37)
Interest Paid	(348.63)	(104.27)
Net Cash Flow from Financing Activities (C)	**2,188.85**	**3,543.13**
Net Increase in Cash and Cash Equivalents (A+B+C)	108.31	481.87
Opening Balance of Cash and Cash Equivalents	754.69	272.81
Closing Balance of Cash and Cash Equivalents	**863.00**	**754.69**

1. The above statement of Cash Flows should be read in conjunction with the accompanying notes.
2. Previous Year's figures are regrouped / rearranged wherever required.
3. Figures in brackets indicate cash outgo.
4. The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.
5. Cash flows from operating activities include ₹ 280.38 lakhs (March 31, 2020: ₹ 165.81 lakhs) being expenses towards Corporate Social Responsibility initiatives.
6. Cash and Cash Equivalents include Balances in Dividend Accounts ₹ 3.43 Lakh (PY ₹ 2.90 Lakh), which are not available for use by the Company except for payment of unpaid dividend or transfer to IEPF.

7. **Cash and Cash Equivalents comprises of:**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
a. Cash on Hand	1.98	7.58
b. Balances with Banks	861.02	747.11
Total	**863.00**	**754.69**

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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Valiant Organics Limited ("VOL" or "the Company") is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange ('BSE'). The registered office of the Company is located 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai.

The Company is engaged in manufacturing and dealing in specialty chemicals and pharma intermediates in India and abroad.

2. SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

2.1 Basis of Compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

The financials for the year ended March 31, 2021 of the Company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2019. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("I-GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2020 have now been restated as per Ind AS to provide comparability.

These financial statements have been approved by the Board of Directors at their meeting held on 25th May, 2021.

Detailed explanation on how the transition from previous I-GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 50 to the Standalone Financial Statements.

2.2 Basis of Preparation and Presentation of Financials Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Certain financial instruments measured at fair value (refer accounting Policy regarding financial instruments); and

(ii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the status of realisability and expected settlement in cash and cash equivalents of the respective assets and liabilities and other criteria set out in the Schedule III to the Companies Act 2013, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

Functional & Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

i. Provision for Income Tax and Deferred Tax Assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

ii. Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iii. Defined Benefit Plans (Gratuity):

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv. Provisions and Contingent Liabilities:

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

v. Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

date. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

vi. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

vii. Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

viii. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

ix. Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realise the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the Company's accounting Policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date (i.e. April 1, 2019).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company has used the following useful lives to provide depreciation on the following assets:

Particulars	Depreciation
Factory Building	Over a period of 30 years
Plant & Machinery	Over its useful life as technically assessed, i.e. over a period of 19 years
Vehicle	Over a period of 10 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Leasehold Land	Over the tenure of lease

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and cumulative impairment losses. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is charged to the statement of profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

Particulars	Amortisation
Computer Software	3 years

3.5 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the relevant Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and any difference subsequent to its settlement is accounted for within equity.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of identifiable assets acquired net of fair value of liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.6 Impairment of Non-Financial Assets:

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Work-in-Progress:

Work-in-Progress is valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on weighted average method.

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits:

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(b) Post-employment benefits:

(i) Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/ payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(ii) Defined Benefit Plan

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. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(c) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

3.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition:

Revenue from Operations:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

To recognise revenues, the Company applies the following five step approach in accordance with Ind AS 115:

(a) identify the contract with a customer

(b) identify the performance obligations in the contract

(c) determine the transaction price

(d) allocate the transaction price to the performance obligations in the contract and

(e) recognise revenues when a performance obligation is satisfied.

Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.14 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract, recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determinable, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.15 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of 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 for the period for which they are incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use,

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.17 Earnings Per Share:

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. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3.18 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition.

Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the Company's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.

(a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Classification and Subsequent Measurement of Financial Liabilities:

(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

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for the year ended 31st March, 2021

(b) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2019.

De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that it expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

4. PROPERTY, PLANT AND EQUIPMENT (PPE)

(₹ in Lakhs)

Particulars	Land	Factory Building	Residential Building	Plant & Machinery	Power Plant	Electrical Installation	Laboratory Equiptment	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2020 Gross carrying amount													
Opening gross carrying amount as at April 1, 2019	1,415.48	1,932.20	35.85	13,739.54	178.97	59.28	18.78	128.91	231.50	93.09	69.63	17,903.24	6,556.06
Addition during the year	964.00	72.56	-	1,848.09	-	100.12	10.67	109.77	15.60	19.39	30.88	3,171.07	17,015.85
Assets capitalised during the year from CWIP	-	1,999.55		8,660.18	-	-	-	-	-	-	-	10,659.73	(10,659.73)
Disposals during the year	-	-	-	(156.00)	-	-	-	-	(18.50)	-	-	(174.50)	-
Closing gross carrying amount	**2,379.48**	**4,004.31**	**35.85**	**24,091.81**	**178.97**	**159.40**	**29.45**	**238.69**	**228.59**	**112.48**	**100.51**	**31,559.55**	**12,912.18**
Accumulated depreciation													
Opening accumulated depreciation	30.22	319.73	7.23	4,900.90	17.19	14.39	6.68	31.11	121.35	68.89	41.11	5,558.81	-
Depreciation charge during the year	14.64	70.61	1.14	747.02	8.95	8.30	1.83	14.89	15.05	18.38	12.26	913.07	-
Disposals during the year	-	-	-	(156.00)	-	-	-	-	(9.19)	-	-	(165.19)	-
Closing accumulated depreciation	**44.86**	**390.34**	**8.37**	**5,491.92**	**26.14**	**22.70**	**8.51**	**45.99**	**127.21**	**87.28**	**53.37**	**6,306.69**	**-**
Net carrying amount	**2,334.62**	**3,613.97**	**27.48**	**18,599.89**	**152.83**	**136.70**	**20.93**	**192.69**	**101.38**	**25.20**	**47.15**	**25,252.86**	**12,912.18**
Year ended March 31, 2021 Gross carrying amount													
Opening gross carrying amount as at April 1, 2020	2,379.48	4,004.31	35.85	24,091.81	178.97	159.40	29.45	238.69	228.59	112.48	100.51	31,559.55	12,912.18
Addition during the year	226.71	296.98	-	1,775.16	1.04	86.77	11.00	156.73	48.24	25.83	35.63	2,664.09	13,030.92
Assets capitalised during the year from CWIP	1,316.40	7,815.75		12,222.28								21,354.00	(21,354.00)
Disposals during the year	-	-	-	-	-	-	-	-	(14.12)	-	-	(14.12)	-
Closing gross carrying amount	**3,922.59**	**12,117.03**	**35.85**	**38,089.26**	**180.01**	**246.17**	**40.45**	**395.41**	**262.71**	**138.31**	**136.15**	**55,563.95**	**4,589.10**
Accumulated depreciation													
Opening accumulated depreciation	44.86	390.34	8.37	5,491.92	26.14	22.70	8.51	45.99	127.21	87.28	53.37	6,306.69	-
Depreciation charge during the year	33.00	161.41	1.14	1,249.05	8.99	17.42	2.63	27.97	15.72	22.12	16.28	1,555.72	-
Disposals during the year	-	-	-	-	-	-	-	-	(11.31)	-	-	(11.31)	-
Closing accumulated depreciation	**77.86**	**551.74**	**9.51**	**6,740.97**	**35.13**	**40.12**	**11.14**	**73.96**	**131.62**	**109.39**	**69.65**	**7,851.10**	**-**
Net carrying amount	**3,844.74**	**11,565.29**	**26.35**	**31,348.28**	**144.87**	**206.05**	**29.31**	**321.45**	**131.09**	**28.92**	**66.50**	**47,712.85**	**4,589.10**

Borrowing cost of ₹ 749.25 Lakhs have been capitalised during the year (March 31, 2020 - 283.29 Lakhs)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

5. RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	Right-of-Use Asset Building
Year ended March 31, 2020 Gross carrying amount	
Opening gross carrying amount as at April 1, 2019	31.49
Addition during the year	11.30
Disposals during the year	-
Closing gross carrying amount	**42.79**
Accumulated depreciation	
Opening accumulated depreciation	-
Depreciation charge during the year	14.74
Disposals during the year	-
Closing accumulated depreciation	**14.74**
Net carrying amount	**28.05**
Year ended March 31, 2021 Gross carrying amount	-
Opening gross carrying amount as at April 1, 2020	42.79
Addition during the year	39.55
Disposals during the year	-
Closing gross carrying amount	**82.35**
Accumulated depreciation	
Opening accumulated depreciation	14.74
Depreciation charge during the year	24.63
Disposals during the year	-
Closing accumulated depreciation	**39.37**
Net carrying amount	**42.97**

6. GOODWILL

(₹ in Lakhs)

Particulars	Goodwill
Year ended March 31, 2020 Gross carrying amount	
Opening gross carrying amount as at April 1, 2019	2,077.26
Addition during the year	-
Disposals during the year	-
Closing gross carrying amount	**2,077.26**
Accumulated amortisation/impairment	
Opening accumulated amortisation/impairment	1,420.22
Amortisation/Impairment for the year	375.45
Disposals during the year	-
Closing accumulated amortisation/impairment	**1,795.67**
Net carrying amount	**281.59**
Year ended March 31, 2021 Gross carrying amount	
Opening gross carrying amount as at April 1, 2020	2,077.26
Addition during the year	-
Disposals during the year	-
Closing gross carrying amount	**2,077.26**
Accumulated amortisation/impairment	
Opening accumulated amortisation/impairment	1,795.67
Amortisation/Impairment for the year	281.59
Disposals during the year	-
Closing accumulated amortisation/impairment	**2,077.26**
Net carrying amount	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

7. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Technical Knowhow	Computer Software	Total
Year ended March 31, 2020 Gross carrying amount			
Opening gross carrying amount as at April 1, 2019	150.00	2.97	152.97
Addition during the year	-	1.16	1.16
Disposals during the year	-	-	-
Closing gross carrying amount	**150.00**	**4.12**	**154.12**
Accumulated depreciation			
Opening accumulated depreciation	150.00	0.12	150.12
Depreciation charge during the year	-	1.21	1.21
Disposals during the year	-	-	-
Closing accumulated depreciation	**150.00**	**1.33**	**151.33**
Net carrying amount	**-**	**2.79**	**2.79**
Year ended March 31, 2021 Gross carrying amount			
Opening gross carrying amount as at April 1, 2020	150.00	4.12	154.12
Addition during the year	-	-	-
Disposals during the year			-
Closing gross carrying amount	**150.00**	**4.12**	**154.12**
Accumulated depreciation			
Opening accumulated depreciation	150.00	1.33	151.33
Depreciation charge during the year	-	1.31	1.31
Disposals during the year			-
Closing accumulated depreciation	**150.00**	**2.64**	**152.64**
Net carrying amount	**-**	**1.49**	**1.49**

8. NON CURRENT INVESTMENTS

(₹ in Lakhs)

8.1

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Unquoted Investments			
Investment in subsidiaries - measured at cost			
Investment in subsidiary companies	25.00	25.00	-
Investment in Limited Liability Partnership	3,924.15	1,429.09	722.61
Total	**3,949.15**	**1,454.09**	**722.61**

(₹ in Lakhs)

Particulars	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Investments - (Unquoted) in Equity Shares of Subsidiary Companies						
Valiant Speciality Chemicals Limited	2,50,000	25.00	2,50,000	25.00	-	-
Investments in Limited Liability Partnership						
Dhanvallabh Ventures LLP	N.A.	3,924.15	N.A.	1,429	N.A.	722.61
Total	**2,50,000**	**3,949.15**	**2,50,000**	**1,454.09**	**-**	**722.61**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

8.2

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Quoted Investments - FVTOCI			
- Investments in Equity Shares	233.70	1,810.81	3,392.23
Total	**233.70**	**1,810.81**	**3,392.23**

(₹ in Lakhs)

Particulars	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Investments in Equity Shares (Quoted)						
Aarti Industries Limited (FV ₹ 5)	15,000	199.90	2,35,800	1,810.81	2,16,400	3,392.23
Investments in Preference Shares (Unquoted)						
Aarti Surfactants Limited - 4% Redeemable Preference Shares	20,500	33.80	-	-	-	-
Total	**35,500**	**233.70**	**2,35,800**	**1,810.81**	**2,16,400**	**3,392.23**

9. NON CURRENT FINANCIAL ASSETS: LOANS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Security Deposits			
Unsecured, Considered Good	523.87	543.30	235.21
Loan To Others			
Unsecured Considered Good	-	-	122.88
Total	**523.87**	**543.30**	**358.09**

10. OTHER NON CURRENT ASSETS

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Capital Advances	931.32	1,540.85	855.21
Total	**931.32**	**1,540.85**	**855.21**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

11. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Raw Material (incl In-transit stock)	3,734.24	2,299.48	1,866.03
Fuel	50.41	109.85	9.40
Stores & Spares	271.74	101.39	101.77
Packing Materials	48.38	63.80	36.93
Work-in-Progress	325.50	524.41	584.32
Finished Goods	2,172.29	993.81	1,293.09
Total	**6,602.55**	**4,092.74**	**3,891.55**

11.1 IN-TRANSIT INVENTORIES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Raw Material (In Transit Stock)	595.21	-	-
Total	**595.21**	**-**	**-**

12. CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Current Investment	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Quoted Investments			
Investment in Equity Shares (Quoted) - measured at FVTOCI	14.02	117.48	134.17
Investment in Mutual Funds (Quoted) - Measured at FVTPL	-	-	909.24
Total	**14.02**	**117.48**	**1,043.41**

(₹ in Lakhs)

Particulars	No of Shares/ Units of Mutual Funds	As at 31St March, 2021	No of Shares/ Units of Mutual Funds	As at 31St March, 2020	No of Shares/ Units of Mutual Funds	As at 1St April, 2019
Investments - in Equity Shares (Quoted)						
Other Companies - measured at FVTOCI						
Axis Bank Limited (FV ₹ 2)	-	-	460	1.74	460	3.59
Biocon Limited (FV ₹ 5)	-	-	2,250	6.09	2,250	6.80
Bodal Chemicals Limited (FV ₹ 2)	-	-	2,000	0.85	2,000	1.32
Elantas Beck India Limited (FV ₹ 10)	400	13.49	400	9.04	400	9.57
Grasim Industries Limited (FV ₹ 2)	-	-	2,750	13.73	2,750	24.48
HDFC Bank Limited (FV ₹ 2)	-	-	555	4.95	555	6.60
HDFC Standard Life Insurance Company Limited (FV ₹ 10)	-	-	7,500	33.12	7,500	28.35
ICICI Bank Limited (FV ₹ 2)	-	-	770	2.50	770	3.16
Mahanagar Gas Limited (FV ₹ 10)	-	-	500	4.19	500	5.28
Orchid Pharma Limited (FV ₹ 10)	22	0.53	22	0.90	22	1.00

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	No of Shares/ Units of Mutual Funds	As at 31St March, 2021	No of Shares/ Units of Mutual Funds	As at 31St March, 2020	No of Shares/ Units of Mutual Funds	As at 1St April, 2019
State Bank of India (FV ₹ 1)	-	-	5,000	9.90	5,000	16.25
Sundaram Finance Limited (FV ₹ 10)	-	-	5,750	10.35	5,750	4.89
Sundaram Finance Holdings Limited (FV ₹ 5)	-	-	750	9.38	750	11.70
Torrent Pharmaceuticals Limited (FV ₹ 5)	-	-	500	10.36	500	9.75
Va Tech Wabag Limited (FV ₹ 2)	-	-	400	0.38	400	1.45
Mutual Fund - measured at FVTPL						
Reliance Liquid Fund		-		-	3,182	145.00
Reliance Money Market Direct Growth Fund		-		-	27,007	764.24
Total	**422**	**14.02**	**29,607**	**117.48**	**59,796**	**1,043.41**

13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
TRADE RECEIVABLES			
Unsecured			
Debts outstanding for more than six months from the date they are due for payment			
Considered Good	766.40	514.00	34.91
Considered Doubtful	214.42	119.89	104.60
	980.81	**633.90**	**139.51**
Less : Provision For bad Debts	(214.42)	(119.89)	(104.60)
	766.40	**514.00**	**34.91**
Other Debts - Considered Good	10,895.01	10,565.84	12,055.26
Total	**11,661.41**	**11,079.84**	**12,090.17**

Due to the short nature of credit period given to customers, there is no financing component in the contract.

Refer Note No 48.2 for ageing of trade receivables and movement in provision for doubtful debts.

14. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Cash & Cash Equivalents			
Cash on hand	1.98	7.58	5.66
Balances with Banks	861.02	747.11	267.16
Total	**863.00**	**754.69**	**272.81**

Cash and Cash Equivalents include Balances in Dividend Accounts ₹ 3.43 Lakh (PY ₹ 2.90 Lakhs) which are not available for use by the Company except for payment of unpaid dividend or transfer to IEPF.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

15. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Fixed Deposits	315.09	302.83	32.74
Total	**315.09**	**302.83**	**32.74**

16. CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Unsecured, Considered Good			
Security Deposits	19.95	19.45	7.52
Loan to Employees	42.86	40.07	26.65
Interest Receivable	1.58	1.58	1.58
Advance to Related Parties (Refer note no. 46)	2.47	1.82	-
Total	**66.85**	**62.92**	**35.75**

17. OTHER CURRENT ASSETS

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Other Current Assets	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Balance with Statutory / Government Authorities	2,195.56	1,874.43	1,073.69
Advances to Suppliers	315.22	328.18	-
Prepaid Expenses	5.76	10.86	34.83
Export Benefits Receivable	-	3.54	35.85
Receivable - Others	7.96	8.24	4.85
Total	**2,524.49**	**2,225.25**	**1,149.21**

18. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Advance Tax and Tax Deducted at Source (Net of Provision)	480.34	439.55	-
Total	**480.34**	**439.55**	**-**

19. EQUITY SHARE CAPITAL

19.1 AUTHORISED SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Authorised:			
2,06,00,000 Equity Shares of ₹ 10/- each (March 31, 2020 - 2,06,00,000 & April 1, 2019 - 1,05,00,000)	2,060.00	2,060.00	1,050.00
20,00,000 Optionally Convertible Preference Shares of ₹ 10 each (March 31, 2020 - 20,00,000 & April 1, 2019 - Nil)	200.00	200.00	-
40,000 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (March 31, 2020 - 40,000 & April 1, 2019 - Nil)	40.00	40.00	-
Total	**2,300.00**	**2,300.00**	**1,050.00**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Issued, Subscribed & Paid Up:

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Equity Share Capital	**1,214.92**	**586.44**	**586.44**
Add: Equity Shares allotted to the investors of Amarjyot Chemical Limited	-	628.49	-
Add: Conversion of Optionally Convertible Preference Shares	142.75	-	-
Add: Issue of Bonus Shares	**1,357.67**	**-**	**-**
2,71,53,488 Equity Shares of ₹ 10 each (March 31, 2020 - 1,21,49,218 & April 1, 2019 -58,64,350). [A]	**2,715.35**	**1,214.92**	**586.44**
Optionally Convertible Preference Shares	183.31	-	-
Add: Optionally Convertible Preference Shares allotted to the investors of Amarjyot Chemical Limited (Acquired Company)		183.31	
Less : Converted to Equity Shares during the year	(142.75)	-	-
4,05,561 Optionally Convertible Preference Shares of ₹ 10 each (March 31, 2020 - 18,33,087 & April 1, 2019 - Nil). [B]	**40.56**	**183.31**	**-**
Total (A+B)	**2,755.90**	**1,398.23**	**586.44**

19.2 SHARE CAPITAL PENDING ALLOTMENT

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Share Capital Pending Allotment			
- Equity Share Capital	-	-	628.49
- Optionally Convertible Preference Shares	-	-	183.31
Closing Balance of Share Capital Pending Allotment at the year end	**-**	**-**	**811.80**

19.3 RECONCILIATION OF EQUITY SHARES OUTSTANDING

A. Reconciliation of number of ordinary equity shares outstanding

(₹ in Lakhs)

Ordinary Equity Shares Outstanding	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,21,49,218	1,214.92	58,64,350	586.44	58,64,350	586.44
Add: Equity Shares allotted to the investors of acquired Company	-	-	62,84,868	628.49	-	-
Add: Conversion of Optionally Convertible Preference Shares	14,27,526	142.75	-	-	-	-
Add: Issue of Bonus shares (1:1)	1,35,76,744	1,357.67	-	-	-	-
Shares outstanding at the end of the year	**2,71,53,488**	**2,715.35**	**1,21,49,218**	**1,214.92**	**58,64,350**	**586.44**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

B. Reconciliation of number of optionally convertible preference shares outstanding (Instruments entirely equity in nature)

(₹ in Lakhs)

Optionally Convertible Preference Shares Outstanding	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	18,33,087	183.31	-	-	-	-
Add: Optionally Convertible Preference Shares allotted to the investors of Amarjyot Chemical Limited (Acquired Company)	-	-	18,33,087	183.31	-	-
Less: Conversion in to ordinary Equity Shares during the year	(14,27,526)	(142.75)	-	-	-	-
Shares outstanding at the end of the year	**4,05,561**	**40.56**	**18,33,087**	**183.31**	**-**	**-**

19.4 DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES

A. Ordinary Equity Shares

(₹ in Lakhs)

Particulars	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	Number	% of Holding	Number	Amount	Number	Amount
Mr. Arvind K. Chheda	8,55,476	3.15	4,27,738	3.52	4,27,738	7.29
Mr. Bhanumati M. Savla	9,00,460	3.32	4,50,230	3.70	4,51,130	7.69
Mrs. Aarti R. Gogri	21,43,914	7.90	9,17,239	7.54	2,91,721	4.97
Mrs. Manisha R. Gogri	15,89,114	5.85	7,07,525	5.82	7,09,129	12.09
Mrs. Jaya C. Gogri	23,09,644	8.51	9,84,198	8.10	3,20,336	5.46
Mrs. Tarla Parimal Desai	18,55,278	6.83	8,37,827	6.90	1,56,190	2.66

B. Optionally Convertible Preference Shares (Instruments entirely equity in nature)

(₹ in Lakhs)

Particulars	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
Mrs. Aarti R. Gogri	-	-	2,06,068	11.24	-	-
Mrs. Jaya C. Gogri	-	-	2,57,214	14.03	-	-
M/s Dilesh Roadlines Private Limited	1,82,404	44.98	3,13,479	17.10	-	-
Mrs. Tarla Parimal Desai	40,622	10.02	1,98,222	10.81	-	-
Mr. Bhavesh B.Mehta	23,814	5.87	1,07,638	5.87	-	-

19.5 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARE

A. Equity Shares

The Company has only one class of Shares referred to as Equity Shares having 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 shareholders.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

B. 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.

20. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
a. Capital Reserve	7,846.30	7,846.30	7,846.30
b. General Reserve	3,910.88	2,764.97	1,375.12
c. Retained Earning	35,503.27	23,611.25	15,277.24
d. Equity Instruments through Other Comprehensive Income	213.52	3,135.82	3,079.60
Total	**47,473.97**	**37,358.33**	**27,578.26**

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Equity Instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

a. Capital Reserve

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Opening Balance	**7,846.30**	**7,846.30**	**1,436.02**
Pursuant to the Scheme of Merger with Amarjyot Chemical Limited	-	-	6,410.28
Closing Balance	**7,846.30**	**7,846.30**	**7,846.30**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

b. General Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Opening Balance	**2,764.97**	**1,375.12**	**69.85**
Add : Transferred from Retained Earning	1,145.92	1,389.85	1,305.27
Closing Balance	**3,910.88**	**2,764.97**	**1,375.12**

c. Retained Earning

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Retained Earning			
Opening Balance (Surplus in Profit & Loss)	**23,611.25**	**15,277.24**	**3,823.79**
Add: Net Profit for the year	11,459.17	12,392.74	13,323.54
Less: Remeasurement (Loss) on defined benefit plan (net off tax)	(44.36)	(32.51)	-
Add: Transferred from Other Comprehensive Income on disposal of FVTOCI equity instruments	3,660.99	-	-
Amount available for appropriation	**38,687.06**	**27,637.47**	**17,147.32**
Appropriation:			
Interim Dividend	(678.84)	(2,186.86)	(504.05)
Tax on Interim Dividend	-	(449.52)	(60.76)
Issuance of Bonus Shares	(1,357.67)	-	-
Expenses incurred for issuance of Bonus Shares	(1.36)	-	-
Transferred to General Reserve	(1,145.92)	(1,389.85)	(1,305.27)
Closing Balance	**35,503.27**	**23,611.25**	**15,277.24**

Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹ 76.87 Lakhs (PY ₹ 32.51 Lakhs).

d. Equity Instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Opening Balance	**3,135.82**	**3,079.60**	**-**
Add: Fair value changes of various Financial intruments (net off tax)	738.69	56.22	3,079.60
Less : Transfer to retained earnings on disposal of FVTOCI equity instruments	(3,660.99)	-	-
Closing Balance	**213.52**	**3,135.82**	**3,079.60**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

21. NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Secured loan			
Term Loans from Banks			
- Foreign currency loan - ECB/FCNR	5,566.42	7,479.05	2,132.49
- Indian currency loan	1,875.00	455.00	-
Unsecured Loans			
- From Related Parties (Refer Note No 46)	-	-	522.86
- From Others	30.00	135.68	1,363.93
Long term maturities of lease obligations	17.72	15.14	22.15
Total	**7,489.13**	**8,084.87**	**4,041.44**

Refer Note No 48.1.1 and 48.3 in respect of Interest Risk Management and Liquidity Risk Management.

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Name of Bank	Terms of Repayment & Securities
Term Loan - 1	
Amount Sanctioned	USD 5,568,703.88
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 348,043.99 each commencing from May 28, 2021 ending on Feb 28, 2025. The amount is payable in the month of May, August, Nov and Feb of each year.
Rate of Interest	Interest 3.15%
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.
Term Loan - 2.1	
Amount Sanctioned	USD 34,00,000
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 2,12,500/- each commencing from Dec 2020 ending on Dec 2024. The amount is payable in the month of June, Sep, Dec and March of each year.
Rate of Interest	L+ 200bps +Withholding +Hedging cost
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.
Term Loan -2.2	
Amount Sanctioned	USD 25,00,000
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 62,500/- each commencing from May, 2020 ending on Feb, 2024. The amount is payable in the month of May, August, Nov and Feb of each year. The Term Loan is Repayable in 16 equal quarterly installments of USD 93,750/- each commencing from July, 2020 ending on April, 2024. The amount is payable in the month of July, Oct, Jan and April of each year.
Rate of Interest	Interest rate of 9.75% on INR amount.
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.
Term Loan - 3	
Amount Sanctioned	INR 20,00,00,000
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of ₹ 1,25,00,000/- each commencing from Jan, 2022 ending on Oct, 2025. The amount is payable in the month of Jan, April, July and Oct of each year.
Rate of Interest	Interest 6.80%
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.

Notes to the Standalone Financial Statements

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(₹ in Lakhs)

Particulars	1-2 years	2-3 years	3-4 years	Beyond 4 Year
Term Loan - 1	1,023.31	1,023.31	1,023.31	-
Term Loan - 2	1,069.79	1,069.79	356.89	-
Term Loan - 3	500.00	500.00	500.00	375.00
Unsecured Loan	30.00	-	-	-
Long term maturities of lease obligations	17.72	-	-	-
Total	**2,640.82**	**2,593.10**	**1,880.21**	**375.00**

22. NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Provision For Employees Benefit			
Provision for Gratuity	83.26	24.11	85.75
Total	**83.26**	**24.11**	**85.75**

23. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Opening Balance	**1,433.76**	**1,375.46**	**1,110.15**
- On Fixed Assets	754.11	45.62	140.00
- On Accrued benefit to Employees	(89.23)	-	-
- On Revaluation of Investments	(112.78)	14.23	125.75
- On Re-measurement of the defined benefit plan	(11.59)	(1.77)	-
- On Security deposits	0.24	0.21	(0.44)
Total	**1,974.51**	**1,433.76**	**1,375.46**

The movement of deferred tax account is as follows:

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Opening balance	**1,433.76**	**1,375.46**	**1,110.15**
Tax (expense) recognised in profit or loss	665.12	45.83	139.56
Tax (expense) recognised in other comprehensive income	(124.37)	12.46	125.75
Closing balance	1,974.51	**1,433.76**	**1,375.46**

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

(Refer Note No. 44 for reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

24. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Secured Loans			
From Banks			
- Cash Credit Facility	90.82	2,214.41	742.07
- Working Capital Demand Loan	4,900.00	-	-
- Packing Credit in foreign currency	116.87	-	-
Total	**5,107.70**	**2,214.41**	**742.07**

Cash Credit, Foreign Currency Export Packing Credit, Packing Credit in Rupee and Working Capital Demand Loan facilities are part of Working Capital facilities availed from various Banks and are secured by way of Pari Passu first charge by hypothecation of Raw Materials, Stock-In-Process, Semi-Finished Goods, Finished Goods, Packing Materials and Stores and Spares, Bills Receivables and Book Debts and all other moveable, both present and future.

Cash Credit Facility	Is repayable on demand and carries interest @ 7% p.a. to 9.5 % p.a. (Previous year @ 7% p.a. to 9.5 %)
Foreign Currency Export Packing Credit	Is repayable on demand and carries interest @ 6% p.a. to 8 % p.a. (Previous year @ 6.5 % p.a. to 8 %)
Working Capital Demand Loan	Is repayable on demand and carries interest @ 6% p.a. to 8 % p.a. (Previous year @ 6.5 % p.a. to 8 %)

25. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Trade & Non-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	10,418.67	8,397.91	6,976.42
Total	**10,418.67**	**8,397.91**	**6,976.42**

25.1 DETAILS OF THE DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME), AS DEFINED IN THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006, BASED ON AVAILABLE INFORMATION WITH THE COMPANY ARE AS UNDER:

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
the principal amount remaining unpaid to any supplier at the end of financial year;	-	-	-
the interest due on above, remaining unpaid to any supplier at the end of financial year;	-	-	-
the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year;	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-
the amount of interest accrued and remaining unpaid at the end of financial year; and	-	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-

Note: 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, 2021. The information required to be disclosed in pursuance with the MSMED Act has been determined to the extent of identification of such vendors based on information given by the vendors to the Company.

26. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Creditors for Capital Goods	1,906.00	1,971.99	-
Unclaimed Dividends	3.40	2.87	0.60
Redeemable Preference Shares	38.40	38.40	38.40
Current Maturity of Long Term Debt	2,258.38	1,339.60	571.60
Current maturities of finance lease obligations	28.34	14.78	9.69
Other Current Liabilities	319.29	182.89	134.72
Total	**4,553.81**	**3,550.54**	**755.02**

a. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021.

b. **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.

27. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Statutory Dues	93.66	75.91	82.69
Revenue Received in Advance	56.85	40.21	-
Total	**150.51**	**116.12**	**82.69**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

28. CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Provision For Employees Benefits			
- Provision for Gratuity	87.68	73.51	(0.34)
- Provision for Leave Salary	96.03	13.37	22.68
- Provision for Bonus	148.83	123.14	43.51
- Provision for Salaries and Wages	172.22	113.49	175.17
Total	**504.75**	**323.52**	**241.02**

29. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Tax Provision (Net of Advance Tax and TDS)	-	-	159.31
Total	**-**	**-**	**159.31**

30. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Revenue from Sale of Manufactured Products (Net)	50,055.81	53,332.92
Trading Sales	1,654.47	419.76
Service Revenue	5,713.58	4,604.98
Total	**57,423.86**	**58,357.66**

Additional disclosures as required by Ind AS 115

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 Revenue from contracts with customers replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Refer Note No. 3.12 of Significant accounting policies for Revenue recognition. The Company has evaluated its contracts and concluded that there are no performance obligations.

Disaggregate revenue information

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2021. The Company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Revenue from Sale of Manufactured Products (Net)		
- Local Sales	36,824.81	39,227.64
- Deemed Export	6,138.78	5,605.07
- Direct Exports	7,092.22	8,500.21
Trading Sales		
- Local Sales	1,654.47	419.76
Service Revenue		
Local Services	5,713.58	4,604.98
Total	**57,423.86**	**58,357.66**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Performance Obligations

Significant Payment Terms

In case of Domestic Sales, payment terms range from 60 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance and Letters of Credit - 60 days to 120 days.

Obligations for returns, refunds and similar obligations

In case of sales return may take within 180 days after delivery.

Refer Note No. 41 for operating segments, revenue from geographical segments, major products and revenue from major customers.

31. OTHER INCOME

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Interest Income	31.15	23.59
Dividend Income	3.34	21.27
Net gains (losses) on fair value changes	-	62.93
Profit on Investment in Subsidiaries	1,495.06	141.48
Other Non-operating Income (net of expenses)		
Rent Income	13.40	7.00
Sale of Scrap	47.37	31.16
Export Benefits MEIS	-	3.40
Duty Drawback	11.18	13.08
Profit on Sale of Fixed Assets	0.26	-
Foreign Exchange Gain	0.00	175.47
Interest Income on Statutory Refund- VAT	87.66	32.01
Discount Received/Sundry Balances Written Back	-	9.38
Other Miscellaneous Income	0.51	0.38
Total	**1,689.95**	**521.15**

31.1 NET GAINS (LOSSES) ON FAIR VALUE CHANGES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Investments classified at FVTPL - Mutual Fund	-	62.93
Total	**-**	**62.93**

Total Gain on fair value changes include Nil (PY ₹ 62.93 lakhs) as 'Net Gain or Loss on sale of investments'.

32. COST OF MATERIAL CONSUMED (INCLUDING PACKING MATERIAL)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Opening Stock	2,574.52	2,048.41
Add: Purchases	30,788.03	31,540.80
Less: Closing Stock	(4,104.76)	(2,574.52)
Cost of Material Consumed	**29,257.79**	**31,014.70**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

33. PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Purchase of Trading Goods	1,539.45	390.13
Total	**1,539.45**	**390.13**

34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK-IN -TRADE

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Stock		
- Finished Goods	993.81	1,293.09
- Work-in-Progress	524.41	550.05
	1,518.22	**1,843.14**
Closing Stock		
- Finished Goods	2,172.29	993.81
- Work-in-Progress	325.50	524.41
	2,497.79	**1,518.22**
Total Change in Inventories	**(979.57)**	**324.92**

35. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries and Wages	2,291.76	1,785.39
Contribution to Provident & Other Funds	162.51	112.15
Staff Welfare Expenses	216.38	151.51
Total	**2,670.65**	**2,049.05**

The Disclosures as required by IND AS 19 'Employee benefits'

(a) Defined benefit plans

(i) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 96.03 lakhs (PY ₹ 13.37 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post-employment benefits

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India. The Company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(b) Defined contribution plans

Provident Fund

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹ 122.05 lakhs (PY ₹ 101.04 lakhs).

Balance sheet amounts – Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Defined Benefit Obligation at the Beginning of the Year	**229.64**	**175.46**
Current Service Cost	26.46	17.10
Interest Cost	15.66	13.67
Acturial (Gain)/Loss	51.43	25.95
Benefits Paid	(25.18)	(2.54)
Benefit Obligation at the End of the Year	**298.01**	**229.64**

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

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Fair Value of Plan Assets at the Beginning of the Year	**132.01**	**94.01**
Expected Return on Plan Assets	9.00	7.32
Actuarial Gain/(Loss)	(4.52)	(8.34)
Contributions by the Employer	12.33	40.00
Expected Contributions by the Employees	-	-
Benefits Paid	(21.76)	(0.98)
Fair Value of Plan Assets at the End of the Year	**127.07**	**132.01**

The net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Present Value of Obligation	298.01	229.64
Fair Value of Plan Assets	(127.07)	(132.01)
Deficit of Funded plan	170.94	97.62
Unfunded Plan	-	-
Deficit of gratuity plan	**170.94**	**97.62**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Expenses Recognised in the Statement of Profit or Loss for Current Period

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Actuarial (Gains)/Losses on Obligation For the Period	51.43	25.95
Return on Plan Assets, Excluding Interest Income	4.52	8.34
Actuarial (Gains)/Losses		
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	**55.95**	**34.28**

Actuarial assumptions

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Discount Rate (per annum)	6.93%	6.82%
Expected Rate of Return on plan assets (per annum)	6.93%	6.82%
Rate of escalation in Salary (per annum)	5.50%	5.00%
Rate of Employee Turnover	3.00%	2.00%

The major categories of plans assets are as follows:

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Gratuity		
Unquoted	-	-
Insurance fund	127.07	132.01
Total	**127.07**	**132.01**

Maturity profile of projected benefit obligation (from fund) :

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
1st following year	53.75	60.77
2nd following year	9.42	4.62
3rd following year	14.15	5.55
4th following year	12.51	18.71
5th following year	42.93	14.97
Sum of year 6 To 10	105.15	73.18

Sensitivity Analysis :

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Projected Benefit Obligation on Current Assumptions	**298.01**	**229.64**
Delta Effect of +1% Change in Rate of Discounting	(23.36)	(16.82)
Delta Effect of -1% Change in Rate of Discounting	27.68	19.94
Delta Effect of +1% Change in Rate of Salary Increase	27.80	20.10
Delta Effect of -1% Change in Rate of Salary Increase	(23.86)	(17.24)
Delta Effect of +1% Change in Rate of Employee Turnover	2.36	2.44
Delta Effect of -1% Change in Rate of Employee Turnover	(2.87)	(2.90)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company is expected to contribute ₹ 87.67 lakhs to defined benefit plan obligations funds for the year ended March 31, 2022.

Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

The Weighted Average Duration of the Plan works out to 9 years.

Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

36. FINANCE COSTS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Interest Expense	344.29	100.83
Interest on finance lease obligations	4.34	3.44
Total	**348.63**	**104.27**

Note: Finance costs incurred on various projects being qualifying assets is capitalised in accordance with Ind AS 23.

37. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Depreciation on Property, Plant and Equipment	1,557.03	914.28
Depreciation on Right of Use Assets	24.63	14.74
Amortisation/Impairment of Goodwill	281.59	375.45
Total	**1,863.24**	**1,304.48**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

38. OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Consumption of Power & Steam	1,961.42	1,830.35
Freight Octroi & Cartage	590.88	506.02
Repairs & Maintenance		
- Building	26.71	73.54
- Plant & Machinery	1,394.85	1,154.72
- Others	1.53	10.06
Conversion Charges	297.58	39.95
Insurance Charges	135.51	30.36
Water & Drainage Charges	107.40	106.14
Effluent Treatment Plant Charge	1,094.38	664.31
Boiler Operating Charges	403.11	265.08
Labour Charges	1,016.73	867.32
Loading & Unloading Charges	310.70	294.98
Safety & Security Charges	37.35	38.98
Laboratory Expenses	19.29	23.65
Consultancy Charges	213.81	131.42
Factory Expenses	62.14	52.23
Weighing Charges	3.85	2.85
Auditor's Remuneration	8.95	8.30
Printing & Stationery	28.08	28.36
Legal & Professional Fees	106.09	115.86
Travelling & Conveyance	30.51	35.35
Vehicle Expenses	19.77	22.01
Telephone, Courier & Postage Charges	14.48	15.63
Loss on Sale of Assets	-	1.00
Foreign Exchange Loss	14.21	-
Rent Expenses	36.99	14.80
Rates & Taxes	49.27	54.96
Other Bank Charges	10.16	6.17
Statutory Liability	2.50	1.98
Listing Fees	176.35	24.97
Membership Fees	0.91	1.63
Advertising Expenses	6.10	10.70
Freight & Forwarding Charges	506.56	508.72
Provision for Bad and Doubtful Debts	94.52	15.29
Export Expenses	35.86	14.97
Bank Commission	9.69	18.15
Commission and Incentives on Sales	71.00	71.01
Sundry balances written-off	19.88	0.18
Donation		
- Corporate Social Responsibility (Refer Note No. 43)	280.38	165.81
- Others	1.50	4.44
Miscellaneous Expenses	8.32	5.84
Total	**9,209.32**	**7,238.06**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

38.1 DETAILS OF PAYMENTS TO AUDITORS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Payment to Auditors		
- For Statutory Audit	8.75	8.00
- For Other Services - Certification	0.10	0.10
- For Out of Pocket Exps	0.10	0.20
Total	**8.95**	**8.30**

39. EARNING PER SHARE (EPS)

(₹ in Lakhs except EPS)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Net Profit available for Equity Shareholders	**11,459.17**	**12,392.74**
No. of Equity Shares as per financial statement	2,71,53,488	1,21,49,218
Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,56,43,830	2,42,98,436
Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	2,79,64,610	2,79,64,610
Basic Earnings Per Share (in ₹)	**44.69**	**51.00**
Diluted Earnings Per Share (in ₹)	**40.98**	**44.32**

39.1 NUMBER OF SHARES FOR COMPUTATION OF EPS

(No of Shares)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Basic EPS (in Nos)		
Existing (Nos)	1,21,49,218.00	1,21,49,218.00
Optionally Convertible Preference Shares converted to Equity*	14,27,526.00	-
Total Number of shares after conversion	**1,35,76,744.00**	**1,21,49,218.00**
Bonus Issue during the year	1,35,76,744.00	1,21,49,218.00
Total Number of shares after Bonus issue	**2,71,53,488.00**	**2,42,98,436.00**
Weighted average number of Equity Shares	2,56,43,830.37	2,42,98,436.00
Diluted Earnings Per Share (in Nos)		
Existing (Nos)	1,21,49,218.00	1,21,49,218.00
Optionally Convertible Preference Shares convert to Equity	14,27,526.00	14,27,526.00
Total Number of share	**1,35,76,744.00**	**1,35,76,744.00**
OCPS (Pending for Conversion to equity) **	4,05,561.00	4,05,561.00
Bonus issue during the year	1,39,82,305.00	1,39,82,305.00
Total Number of share after Bonus issue	**2,79,64,610.00**	**2,79,64,610.00**

* Holders of 14,27,526 Optionally Convertible Preference Share opted to convert their holding into equity shares and accordingly were allotted equity shares on 11.10.2020. The Basic EPS for the year ended 31-03-2021 has been accordingly arrived at by dividing the Profit by the weighted average number of equity shares.

** Diluted EPS figures have been calculated after assuming remaining 4,05,561 OCPS being converted into equity shares and eligible to receive Bonus equity shares in the ratio of 1:1.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

40. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Contingent Liabilities		
Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	1,065.00	2,657.95
Matters under dispute		
GST	111.98	111.98
Income Tax	121.68	-
ESIC	3.46	-
Total	**1,302.12**	**2,769.93**

41. SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. The Board is responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Chemicals.

Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Segment Revenue - External Turnover		
Within India (Include Deemed Export)	50,331.64	49,857.45
Outside India (Direct Export)	7,092.22	8,500.21
Total	**57,423.86**	**58,357.66**
Non-Current Assets*		
Within India	53,277.72	40,018.31
Outside India	-	-
Total	**53,277.72**	**40,018.31**

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of its Major customers if Revenue from transactions with single external customer amounts to 10 per cent or more of Company's total Revenue. Company's total Revenue of ₹ 57,423.86 Lakhs (P.Y. ₹ 58,357.66 Lakhs) include sales of ₹ 13,765.97 Lakhs (P.Y. ₹ 11,053.28 Lakhs) to one large customer with whom the Company is having long standing Relationship.

42. DIVIDEND

The Board in its meeting held on 8th Nov, 2020 has declared an interim dividend of ₹ 5/- per equity share i.e. 50% of nominal value of ₹ 10/- each for the financial year 2020-21. The interim dividend shall be the final dividend for the year. The dividend has resulted in an outlay of ₹ 678.83 Lakhs (P.Y. ₹ 2,636.37 Lakhs including DDT).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company https://www.valiantorganics.com/investors.php?action=showSubcat&id=3

43. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Expenditure [Refer Para 11.5 of the GN on Division II – Ind AS Schedule III to the Companies Act 2013]

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 ₹ 280.38 Lakh (Previous Year ₹ 165.81 Lakh)

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Contribution to :		
Promoting Education	44.00	41.22
Prevention Healthcare	227.31	53.33
Environmental Welfare	0.45	8.62
Social Welfare	8.62	31.28
Promoting Women welfare	-	31.36
Total	**280.38**	**165.81**
Amount required to be spend as per section 135 of the Act		
Amount spent during the year on		
(i) Construction / acquisition of an assets	-	-
(ii) on purpose other than (i) above	280.38	165.81

44. INCOME TAX EXPENSE RECOGNISED IN THE STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Current tax		
Current tax on the profit for the year	3,080.00	4,000.00
Adjustments for current tax of prior periods	-	14.64
Total current tax expense	**3,080.00**	**4,014.64**
Deferred tax		
Origination and reversal of timing difference	665.12	45.83
Total deferred tax expense/(benefit)	**665.12**	**45.83**
Income tax expense	**3,745.12**	**4,060.48**

Income tax expense recognised in the other comprehensive income

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Deferred Tax Assets / (Liabilities)		
Arising on income and expenses recognised in other comprehensive income :		
Net fair value gain on investment in equity shares at FVTOCI	150.22	14.23
Remeasurement of defined benefit obligation	(11.59)	(1.77)
	138.63	**12.46**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	138.63	12.46
Items that may be reclassified to profit or loss	-	-
	138.63	**12.46**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020
Profit / (Loss) from continuing operations before income tax expense	15,204.30	16,453.22
	15,204.30	**16,453.22**
Tax at the Indian tax rate of 25.168% , (2019-2020 - 25.168%)	3,826.62	4,140.95
Effect of expenses that are not deductible in determining taxable profits	631.29	383.64
Effect of concessions (depreciation under income tax act)	(1,002.29)	(564.45)
Effect of Profit on Subsidiaries included in Standalone Financials	(376.28)	(35.61)
Effect of income taxed separately	(0.99)	(23.50)
Excess tax provision made during the year	1.66	98.98
Effect on deferred tax balances	665.12	45.83
Short/(Excess) Tax Provision in Previous Periods	-	14.64
Tax Expense as per Statement of Profit and Loss	**3,745.12**	**4,060.48**

45. LEASE

Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2021.

a. Category of Right of Use Assets

(₹ in Lakhs)

Particulars	Buildings
	As at 31St March, 2021
Balance as at March 31, 2019	31.49
Additions during the year	11.30
Depreciation charge during the year	14.74
Balance as at March 31, 2020	**28.05**
Additions during the year	39.55
Depreciation charge during the year	24.63
Balance as at March 31, 2021	**42.97**

The aggregate depreciation expenses on Right to Use of Assets is included under Deprecation, Amortisation and Impairment Expenses in the Statement of Profit and Loss.

b. The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2021

(₹ in Lakhs)

Particulars	As at 31St March, 2021
Current Lease Liabilities (refer note no. 26)	28.34
Non Current Lease Liabilities (refer note no. 21)	17.72
Total, Lease Liabilities	**46.06**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

c. Following is the movement in Lease Liabilities during the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2021
Balance at the beginning of the year	**29.92**
Additions during the year	39.16
Finance cost accrued during the year	4.34
Payment of Lease Liabilities	(27.35)
Balance at the end of the year	**46.06**

d. The following is a summary of future minimum lease rental commitments towards Finance Leases

(₹ in Lakhs)

Particulars	As at 31st March, 2021	
	Minimum Lease Commitments	Present value of minimum lease commitments
Due within one year	31.45	28.34
Due in a period between one year and five years	19.02	17.72
Total minimum lease commitments	**50.47**	**46.06**
Less : Interest	(4.41)	N.A.
Present value of minimum lease commitments	**46.06**	**N.A.**

46. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24

I. Related Parties

A. Enterprises that control or are controlled by the reporting Company:

Enterprises that control or are controlled by the reporting Company:			Country	As at 31st March, 2021	As at 31st March, 2020
				Ownership interest	Ownership interest
Subsidiary Companies	(i)	Valiant Speciality Chemical Limited	India	100.00%	100.00%
	(ii)	Dhanvallabh Ventures LLP	India	73.15%	65.00%
	(iii)	Bharat Chemicals (Through Dhanvallabh Ventures LLP as a partner)	India	68.50%	62.50%

B. 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 the Ind-As 24.

- Novel Spent Acid Management

- Shanti Intermediates Private Limited

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

C. List of other related party relationships as per Ind AS 24

Name of the Related Party	Relationship
Mr. Arvind K. Chheda	Managing Director
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. Sathiababu Krishnan Kallada	Non-Executive Director
Mr. D S Galpalli	Non-Executive Director
Mr. Velji K. Gogri	Independent Director
Mr. Mulesh M. Savla	Independent Director
Mr. Dhirajlal D. Gala	Independent Director
Mrs. Jeenal K. Savla	Independent Director
Mr. Piyush Lakhani	Chief Financial Officer
Mrs. Vyoma Vyas	Company Secretary
Mr. Pankaj S. Shah	Close Family Members of Director
Mr. Siddharth D. Shah	Close Family Members of Director
Mr. Shevantilal Popatlal Shah	Close Family Members of Director
Mr. Nemin M. Savadia	Close Family Members of Director
Abhilasha Tex Chem P. Ltd. Gratuity Trust	Gratuity Trust
Valiant Organics Limited Gratuity Trust	Gratuity Trust
Amarjyot Chemicals P. Limited Gratuity Trust	Gratuity Trust

II. Related Party Transactions

A. Transactions and balances with Related Parties (other than Key Management Personnel)

(₹ in Lakhs)

Description of Transaction	Year	Subsidiaries	Key Management Personnel and their relatives	As at 31st March, 2020
Sale of Goods	FY 20-21	326.02	-	387.83
	FY 19-20	-	-	375.24
Receipt of Services	FY 20-21	-	-	166.80
	FY 19-20	-	-	144.88
Investment during the year	FY 20-21	1,000.00	-	-
	FY 19-20	590.00	-	-
Unsecured Loans Given	FY 20-21	0.64	-	-
	FY 19-20	1.82	-	-
Unsecured Loans Taken	FY 20-21	-	-	-
	FY 19-20	-	(522.86)	-
Salary to the Close Family Members of KMPs	FY 20-21	-	34.78	-
	FY 19-20	-	34.46	-
Contribution to the Gratuity Funds during the year	FY 20-21	-	-	12.33
	FY 19-20	-	-	40.00

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

Outstanding items pertaining to the related parties at the balance sheet date:	Year	Subsidiaries	Key Management Personnel and their relatives	As at 31st March, 2020
Investments	March 31, 2021	3,949.15	-	-
	March 31, 2020	1,454.09	-	-
	April 1, 2019	722.61	-	-
Trade Receivables	March 31, 2021	233.15	-	52.20
	March 31, 2020	-	-	76.23
	April 1, 2019	-	-	33.10
Trade Payables	March 31, 2021	-	-	23.81
	March 31, 2020	-	-	-
	April 1, 2019	-	-	5.58
Unsecured Loans Given	March 31, 2021	2.47	-	-
	March 31, 2020	1.82	-	-
	April 1, 2019	-	-	-
Unsecured Loans Taken	March 31, 2021	-	-	-
	March 31, 2020	-	-	-
	April 1, 2019	-	522.86	-
Balances with Key Management Personnel and their Close Family Members	March 31, 2021	-	104.47	-
	March 31, 2020	-	101.44	-
	April 1, 2019	-	169.44	-
Balances with Employee Gratuity Trusts	March 31, 2021	-	-	127.07
	March 31, 2020	-	-	132.01
	April 1, 2019	-	-	94.01

B. Compensation to Key Managerial Personnel

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
(a) Short-term employee benefits	189.66	221.99
(b) Post Employment Benefits	20.60	-
(c) Director Sitting Fees	2.61	1.23
Total	**212.87**	**223.23**

Compensation exclude provision towards gratuity since it is determined actuarially for the Company as a whole on an annual basis.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

47. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in Lakhs)

Particulars	Current/ Non- Current	As at 31st March, 2021				As at 31st March, 2020				As at 1st April, 2019			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets													
Financial assets measured at cost													
Investment in Subsidiaries	Non-Current	3,949.15	N.A	N.A	N.A	1,454.09	N.A	N.A	N.A	722.61	N.A	N.A	N.A
Financial assets measured at amortised cost													
Loans to others	Non-Current	-	N.A	N.A	N.A	-	N.A	N.A	N.A	122.88	N.A	N.A	N.A
Security Deposits	Non-Current	523.87	N.A	N.A	N.A	543.30	N.A	N.A	N.A	235.21	N.A	N.A	N.A
Trade Receivables	Current	11,661.41	N.A	N.A	N.A	11,079.84	N.A	N.A	N.A	12,090.17	N.A	N.A	N.A
Cash on hand	Current	1.98	N.A	N.A	N.A	7.58	N.A	N.A	N.A	5.66	N.A	N.A	N.A
Balance with Banks	Current	861.02	N.A	N.A	N.A	747.11	N.A	N.A	N.A	267.16	N.A	N.A	N.A
Other Fixed Deposits	Current	315.09	N.A	N.A	N.A	302.83	N.A	N.A	N.A	32.74	N.A	N.A	N.A
Security Deposits	Current	19.95	N.A	N.A	N.A	19.45	N.A	N.A	N.A	7.52	N.A	N.A	N.A
Loans to employees	Current	42.86	N.A	N.A	N.A	40.07	N.A	N.A	N.A	26.65	N.A	N.A	N.A
Interest Receivable	Current	1.58	N.A	N.A	N.A	1.58	N.A	N.A	N.A	1.58	N.A	N.A	N.A
Other Receivables	Current	2.47	N.A	N.A	N.A	1.82	N.A	N.A	N.A	-	N.A	N.A	N.A
		17,379.39	**-**	**-**	**-**	**14,197.67**	**-**	**-**	**-**	**13,512.17**	**-**	**-**	**-**
Financial assets measured at fair value through profit or loss (FVTPL)													
Investment in Mutual Funds (Quoted)	Current	-	-	-	-	-	-	-	-	909.24	909.24	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)													
Investments in Equity Shares	Non-Current	233.70	199.90	-	33.80	1,810.81	1,810.81	-	-	3,392.23	3,392.23	-	-
Investments in Equity Shares	Current	14.02	14.02	-	-	117.48	117.48	-	-	134.17	134.17	-	-
		247.72	**213.92**	**-**	**33.80**	**1,928.29**	**1,928.29**	**-**	**-**	**3,526.40**	**3,526.40**	**-**	**-**
Total Financial Assets		**21,576.26**	**213.92**	**-**	**33.80**	**17,580.05**	**1,928.29**	**-**	**-**	**18,670.42**	**4,435.64**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Current/ Non- Current	As at 31St March, 2021				As at 31St March, 2020				As at 1St April, 2019			
		Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Liabilities													
Financial liabilities measured at amortised cost													
Long term borrowings - Term Loans from Banks	Non-Current	7,441.42	N.A	N.A	N.A	7,934.05	N.A	N.A	N.A	2,132.49	N.A	N.A	N.A
Unsecured Loans	Non-Current	30.00	N.A	N.A	N.A	135.68	N.A	N.A	N.A	1,886.79	N.A	N.A	N.A
Long-term maturities of lease obligations	Non-Current	17.72	N.A	N.A	N.A	15.14	N.A	N.A	N.A	22.15	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	5,107.70	N.A	N.A	N.A	2,214.41	N.A	N.A	N.A	742.07	N.A	N.A	N.A
Trade Payables													
- Due to Micro, Small and Medium Enterprises	Current		N.A	N.A	N.A		N.A	N.A	N.A		N.A	N.A	N.A
- Due to Others	Current	10,418.67	N.A	N.A	N.A	8,397.91	N.A	N.A	N.A	6,976.42	N.A	N.A	N.A
Creditors for Capital Goods	Current	1,906.00	N.A	N.A	N.A	1,971.99	N.A	N.A	N.A	-	N.A	N.A	N.A
Unclaimed Dividends	Current	3.40	N.A	N.A	N.A	2.87	N.A	N.A	N.A	0.60	N.A	N.A	N.A
Redeemable Preference Shares	Current	38.40	N.A	N.A	N.A	38.40	N.A	N.A	N.A	38.40	N.A	N.A	N.A
Current Maturity of Long Term Debt	Current	2,258.38	N.A	N.A	N.A	1,339.60	N.A	N.A	N.A	571.60	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	28.34	N.A	N.A	N.A	14.78	N.A	N.A	N.A	9.69	N.A	N.A	N.A
Other Current Liabilities	Current	319.29	N.A	N.A	N.A	182.89	N.A	N.A	N.A	134.72	N.A	N.A	N.A
Total Financial Liabilities		**27,569.31**	-	-	-	**22,247.73**	-	-	-	**12,514.94**	-	-	-

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

48. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as forward contracts, option contracts and cross currency swaps to hedge foreign currency risk and interest rate risk exposure . Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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

48.1 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprise three types of risks: foreign currency risk, interest rate risk and liquidity risk. Financial instruments affected by foreign currency and market risk primarily include trade receivables, trade payables and cash and cash equivalents.

48.1.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management study by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is done assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Non-Current Borrowings (including current maturities of long-term debts)	9,775.86	9,439.25	4,622.73
Current Borrowings	5,107.70	2,214.41	742.07
Total Borrowings	**14,883.55**	**11,653.67**	**5,364.80**
Non-Current Borrowings - Variable Interest Rate (including current maturities of long-term debts)	4,233.09	2,442.05	554.70
Current Borrowings - Variable Interest Rate	5,107.70	2,214.41	742.07
Variable Interest Rate Borrowings	**9,340.78**	**4,656.46**	**1,296.77**
Fixed Interest Rate Borrowings	**5,542.77**	**6,997.20**	**4,068.03**
% of Borrowings bearing variable rate of Interest	**62.76%**	**39.96%**	**24.17%**

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Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)

Particulars	2020-21	2019-20	2019-20
50 BPS increase would decrease the Profit before Tax by	46.70	23.28	6.48
50 BPS decrease would (increase) the Profit before Tax by	(46.70)	(23.28)	(6.48)

48.1.2 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The Company has also borrowings in foregin currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

The following table analyses the foreign currency risk from monetary assets and liabilities as at reporting date:

(₹ in Lakhs)

Particulars	As at 31St March, 2021		As at 31St March, 2020		As at 1St April, 2019	
	Amount in foreign currency - USD	Amount in Rupees- INR	Amount in foreign currency - USD	Amount in Rupees- INR	Amount in foreign currency - USD	Amount in Rupees- INR
Foreign Currency Payable						
Loan Taken - Short-Term & Long-Term	106.95	7,816.67	117.43	8,398.65	19.93	1,409.10
Trade Payable	20.39	1,498.71	11.43	859.53	4.00	276.57
Total Foreign Currency Payables	**127.34**	**9,315.38**	**128.86**	**9,258.18**	**23.93**	**1,685.67**
Foreign Currency Receivable						
Trade Receivable	18.53	1,362.47	13.91	1,046.40	34.91	2,416.80
Cash & Bank Balances	7.74	568.77	6.73	507.59	0.82	57.07
Total Foreign Currency Receivables	**26.27**	**1,931.24**	**20.65**	**1,553.99**	**35.74**	**2,473.87**
Net Foreign Currency Payable / (Receivable)	**101.07**	**7,384.14**	**108.21**	**7,704.19**	**(11.81)**	**(788.20)**
Hedged portion on Loan taken	**19.38**	**1,379.50**	**25.00**	**1,780.00**	**15.00**	**1,068.00**
Unhedged Foreign currency payable /(Receivable)	**81.69**	**6,004.64**	**83.21**	**5,924.19**	**(26.81)**	**(1,856.20)**

Foreign Currency Risk Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, with all other variables held constant relating to unhedged foreign currency exposure. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in the foreign currency rates. The impact on the Company's profit before tax is as follows:

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Increase by 100 basis points (100 bps = 1%)	60.05	61.17	(19.71)
Increase by 100 basis points (100 bps = 1%)	(60.05)	(61.17)	19.71

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

48.2 CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

The ageing of trade receivable and credit loss allowance is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Not Due	9,113.96	7,716.67	9,183.78
3-6 Months	1,781.05	2,849.17	2,871.48
6 Months and above	980.81	633.90	139.51
Total Receivables	**11,875.83**	**11,199.73**	**12,194.77**
Allowance for doubtful receivables and credit losses	(214.42)	(119.89)	(104.60)
Net Receivables	**11,661.41**	**11,079.84**	**12,090.17**
Expected loss rate	1.81%	1.07%	0.86%

Movement in provisions of doubtful debts

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Balance at the beginning of the year	**119.89**	**104.60**	**104.60**
Allowance made during the year	94.52	15.29	-
Reversal of allowance during the year	-	-	-
Balance at the end of the year	**214.42**	**119.89**	**104.60**

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. As per Policy receivables are classified into different buckets based on the overdue period ranging from more than 180 days to more than 3 years. There are different provisioning norms for each bucket which are ranging from 1% to 100%.

48.3 LIQUIDITY RISK

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

i Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Secured borrowing facilities	**24,111.20**	**19,111.20**	**12,741.20**
- Amount used	15,737.08	13,843.79	8,371.45
- Amount unused	8,374.12	5,267.41	4,369.75
Total	**24,111.20**	**19,111.20**	**12,741.20**

ii Maturity patterns of Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020		As at 1st April, 2019	
	0- 1 Year	1-5 Year	0- 1 Year	1-5 Year	0- 1 Year	1-5 Year
Non- Current borrowings (Including current maturity of long term debt)	2,286.72	7,489.13	1,354.38	8,084.87	581.29	4,041.44
Current borrowings	5,107.70	-	2,214.41	-	742.07	-
Total Financial Assets	**7,394.42**	**7,489.13**	**3,568.79**	**8,084.87**	**1,323.36**	**4,041.44**

49. CAPITAL MANAGEMENT

Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt outstanding liabilities towards Borrowings, obligations towards lease less cash and cash equivalents.

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Borrowings - Current and Non-Current	14,837.49	11,623.75	5,332.96
Long-term maturities of Lease obligations	17.72	15.14	22.15
Current maturities of Lease obligations	28.34	14.78	9.69
Less: cash and cash equivalent	(863.00)	(754.69)	(272.81)
Net Debts	**14,020.55**	**10,898.98**	**5,091.99**
Equity	50,229.87	38,756.56	28,976.49
% Net debt to equity ratio	**0.28**	**0.28**	**0.18**

50. TRANSITION TO IND AS

These are the first Standalone Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 3 have been applied in preparing the Financial Statements for the year ended March 31, 2021, the comparative information presented in these Financial Statements for the year ended March 31, 2020 and in the preparation of an opening Ind AS Balance Sheet as at April 01, 2019 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the standalone financial position, financial performance and cash flows of the Company is set out in the following tables and notes:

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

A. Ind AS optional exemptions

Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment, capital work-in- progress and intangible assets recognised as of 1st April, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease:

The Company has applied Ind AS 19 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing on that date.

Investments in subsidiaries, associates and joint ventures

Ind AS 101 permits a first-time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries at cost.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity instruments.

Past business combinations:

Ind AS 103 (Business Combinations) has not been applied retrospectively to business combinations that occurred prior to 1st April, 2019. Use of this exemption means that in the opening Balance Sheet, goodwill/capital reserve and other assets and liabilities acquired in previous business combinations remain at the previous GAAP carrying values.

Ind AS Mandatory Exceptions

Classification and measurement of financial assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Derecognition of financial assets and liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2019 (the transition date).

Estimates

Estimates in accordance with Ind AS at the transition date shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous IGAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI; and
- Impairment of financial assets based on expected credit loss model.

B. Reconciliations between previous IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous IGAAP to Ind AS.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(a) Effect of Ind AS adoption on the standalone balance sheet as at March 31, 2020 and as at April 1, 2019 is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020			As at 1st April, 2019		
	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	25,252.86	-	25,252.86	12,344.44	-	12,344.44
(b) Right of Use Assets	-	28.05	28.05	-	31.49	31.49
(c) Capital Work-in-Progress	12,912.18	-	12,912.18	6,556.06	-	6,556.06
(d) Goodwill	281.59	-	281.59	657.04	-	657.04
(e) Other Intangible Assets	2.79	-	2.79	2.85	-	2.85
(f) **Financial Assets**						
(i) Investment in Subsidiaries	1,454.09	-	1,454.09	722.61	-	722.61
(ii) Other Investments	48.23	1,762.58	1,810.81	180.79	3,211.44	3,392.23
(iii) Loans	567.35	(24.05)	543.30	370.01	(11.92)	358.09
(g) Other Non-current Assets	1,540.84	-	1,540.85	855.21	-	855.21
Total Non-Current Assets	**42,059.93**	**1,766.58**	**43,826.51**	**21,689.01**	**3,231.01**	**24,920.02**
Current assets						
(a) Inventories	4,092.74	-	4,092.74	3,891.55	-	3,891.55
(b) Financial Assets						
(i) Investments	91.93	25.55	117.48	1,046.84	(3.43)	1,043.41
(ii) Trade Receivables	11,079.84	-	11,079.84	12,090.17	-	12,090.17
(iii) Cash and Cash Equivalents	754.68	-	754.69	272.81	-	272.81
(iv) Bank Balances Other than Cash & Cash Equivalents	302.83	-	302.83	32.74	-	32.74
(v) Loans	43.47	19.45	62.92	28.23	7.52	35.75
(c) Other Current Assets	2,225.24	-	2,225.25	1,149.21	-	1,149.21
(d) Current Tax Assets (Net)	439.55	-	439.55	-	-	-
Total Current Assets	**19,030.28**	**45.00**	**19,075.29**	**18,511.55**	**4.09**	**18,515.65**
TOTAL ASSETS	**61,090.21**	**1,811.58**	**62,901.80**	**40,200.56**	**3,235.10**	**43,435.66**
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity Share Capital	1,253.32	(38.40)	1,214.92	586.44	-	586.44
(b) Optionally Convertible Preference Shares	183.31	-	183.31	38.40	(38.40)	-
(c) Share Capital Pending Allotment	-	-	-	811.80	-	811.80
(d) Other Equity	35,716.42	1,641.91	37,358.33	24,500.32	3,077.94	27,578.26
Total Equity	**37,153.05**	**1,603.51**	**38,756.56**	**25,936.96**	**3,039.54**	**28,976.49**
LIABILITIES						
Non-Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	8,069.73	15.14	8,084.87	4,019.29	22.15	4,041.44
(b) Provisions	24.11	-	24.11	85.75	-	85.75
(c) Deferred Tax Liabilities (net)	1,294.00	139.76	1,433.76	1,250.15	125.31	1,375.46
Total Non-current Liabilities	**9,387.84**	**154.90**	**9,542.74**	**5,355.19**	**147.46**	**5,502.65**
Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	2,214.41	-	2,214.41	742.07	-	742.07
(ii) Trade Payables	8,397.91	-	8,397.91	6,976.42	-	6,976.42
(iii) Other Financial Liabilities	3,497.36	53.18	3,550.54	706.26	48.09	755.02
(b) Other Current Liabilities	116.12	-	116.12	82.69	-	82.69
(c) Provisions	323.52	-	323.52	241.69	-	241.02
(d) Current Tax Liabilities (Net)	-	-	-	159.31	-	159.31
Total Current Liabilities	**14,549.32**	**53.18**	**14,602.50**	**8,908.42**	**48.09**	**8,956.52**
TOTAL EQUITY AND LIABILITIES	**61,090.21**	**1,811.58**	**62,901.80**	**40,200.56**	**3,235.11**	**43,435.66**

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(b) Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the period ended March 31, 2020:

(₹ in Lakhs)

Particulars	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS
Income			
Revenue from operations	58,357.66	-	58,357.66
Other Income	2,056.25	(1,535.10)	521.15
Total Revenue (I + II)	**60,413.91**	**(1,535.10)**	**58,878.81**
Expenses			
Cost of materials consumed	31,014.70	-	31,014.70
Purchase of stock-in-trade	390.13	-	390.13
Changes in inventories of finished goods, work-in-progress and stock in trade	324.92	-	324.92
Employee benefit expenses	2,083.33	(34.28)	2,049.05
Finance Costs	100.83	3.44	104.27
Depreciation, Amortization and Impairment Expenses	1,289.73	14.74	1,304.48
Other Expenses	7,299.31	(61.25)	7,238.06
Total Expenses	**42,502.95**	**(77.35)**	**42,425.59**
Profit Before Tax (III - IV)	**17,910.96**	**(1,457.75)**	**16,453.22**
Tax Expense:			
Current Tax	4,000.00	-	4,000.00
Short/(Excess) Provision of earlier year	14.64	-	14.64
Deferred Tax Charge	43.85	1.99	45.83
Total Tax Expense	**4,058.49**	**1.99**	**4,060.48**
Profit for the year (V - VI)	**13,852.47**	**(1,459.74)**	**12,392.74**
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss in subsequent year			
Re-measurement of the net defined benefit plan	-	(34.28)	(34.28)
Fair value changes of various Financial instruments	-	70.45	70.45
(ii) Income tax relating to items that will not be reclassified to profit & loss			
Deferred tax on re-measurement of the net defined benefit plan	-	1.77	1.77
Current tax on various financial instruments	-	-	-
Deferred tax on fair value changes of various financial instruments	-	(14.23)	(14.23)
Total, Other Comprehensive Income	**-**	**23.71**	**23.71**
Total, Comprehensive Income for the year	**13,852.47**	**(1,436.03)**	**12,416.45**

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) Statement of reconciliation of total equity (standalone) as at March 31, 2020 and April 1, 2019 is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019
Equity as per I-GAAP	**37,153.05**	**25,936.96**
Adjustments:		
Fair valuation of investments	1,745.61	3,208.01
Tax effects of adjustments	(102.04)	(124.65)
Imapct of lease assets	(1.66)	(5.43)
Redeemable Preference Shares	(38.40)	(38.40)
Equity as per Ind AS	**38,756.56**	**28,976.49**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(d) Statement of reconciliation of total comprehensive income (standalone) for the period ended March 31, 2020 is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Net profit after tax as per I-GAAP	**13,852.47**
Adjustments:	
Net impact on account of leases	(1.70)
Acturial gain / (loss) on Defined benefit plan	34.28
Fair valuation of investments	(1,490.33)
Tax effects of adjustments	(1.99)
Net Profit as per Ind-As	**12,392.74**
Other Comprehensive Income as per Ind AS	**23.71**

(e) Notes on Reconciliation

(i) Fair valuation of investments

Under the previous IGAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2020.

(ii) Right of Use (ROU) Assets, Security Deposits and Other Income

Under IGAAP, interest free deposits were recognised at cost i.e. the amount actually paid. Under Ind AS, such deposits are recognised at fair value on initial recognition and at amortised costs on subsequent measurement. Accordingly, non-interest bearing security deposit paid towards ROU asset is measured at the present value and the remaining amount to be amortised over the life of the ROU Asset is capitalised as a part of Property, Plant & Equipment. Notional Interest on such security deposits is accrued on a yearly basis at the effective internal rate of return.

Depreciation has been created on Right of Use assets on the basis of lease terms. Accordingly, depreciation of ₹ 14.74 lakhs (April 1, 2019 - ₹ Nil lakhs) have been charged against right of use assets with a corresponding adjustment to retained earnings.

(iii) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2020 increased by ₹ 32.51 lakhs. There is no impact on the total equity as at March 31, 2020.

(iv) Deferred Tax Liabilities (Net)

IGAAP requires deferred tax accounting using the income statement approach, which is difference between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which is calculated on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or other comprehensive income on the date of transition.

(v) Retained Earnings

Retained earnings as at April 01, 2019 have been adjusted consequent to the above Ind AS transition adjustments.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

(vi) Other Comprehensive Income

Under Ind AS, all items of income and expenses recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' which includes remeasurement of defined benefit plans and fair value gain/(loss) on FVTOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

51. RECENT PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs (""MCA"") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

52. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of
Valiant Organics Limited

Report on the audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Valiant Organics Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's responsibility for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules 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 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	Auditors' Response
Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work-in-progress) as on 31 March 2021of ₹ 54,258.90 lakhs (₹ 40,198.17 lakhs as on 31 March 2020) include ₹ 24,185.38 lakhs capitalised /transferred from capital work in progress during the year (₹ 14,153.37 lakhs for the year ended 31 March 2020). Capital expenditure involves management's technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Group. Refer note no. 4 to the Consolidated Financial Statements.	**Our audit procedures, amongst others, include the following –** ▪ Obtained an understanding of operating effectiveness of management's internal controls over capital expenditure. ▪ We assessed Group's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16 - Property, Plant and Equipment. ▪ We have reviewed management's judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment. ▪ We have verified the capitalisation of borrowing cost incurred on qualifying assets in accordance with the Indian Accounting Standard 23 - Borrowing Costs. ▪ Confirmed adequacy of disclosures in the Consolidated Financial Statements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's Reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), Consolidated Cash Flows and Consolidated Changes in Equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors and Management of the companies and other entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors and Management of the companies and other entities 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 the respective Board of Directors and Management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 a part of an audit in accordance with SAs, we exercise professional judgement 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of use of the going concern basis of accounting by the Management 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 matter that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group, to express an opinion on the Consolidated Financial Statements. We are responsible for direction, supervision and performance of the audit of the Financial Statements or business activities of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statement, 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.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

We did not audit the Financial Statements/financial information of 2 subsidiaries, whose Financial Statements/financial information reflect total assets of ₹ 17,286.14 lakhs as at March 31, 2021, total revenue from operations for the year ended of ₹ 18,056.91 lakhs, total net profit for the year of ₹ 5,160.18 lakhs and net cash inflows amounting to ₹ 384.04 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. This Financial Statements/financial information 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 these subsidiaries and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other Auditors. These subsidiaries, being non-corporate entities, whose primary financial statements have been prepared under Indian GAAP, but management of Holding Company has passed necessary adjustments entries to align with accounting policies of Holding Company, which has been audited by us.

Our opinion on the Consolidated Financial Statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.

b. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the respective companies, none of the directors of the Holding Company are disqualified as on March 31, 2021, 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 to the best of our information and according to the explanations given to us, the remuneration paid by the Holding 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note no 41 to the Consolidated Financial Statements).

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 21123215AAAADG2402

Place : Mumbai
Date : 25 May 2021

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

Referred to in paragraph (f) under 'Report on other legal and regulatory requirements' section of our report of even date.

Report on the internal financial controls over financial reporting under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Valiant Organics Limited as on 31 March 2021 in conjunction with our audit of the Consolidated Financial Statements of Valiant Organics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries for the year ended 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 companies 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 the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

The internal financial control over financial reporting of the Company 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. The internal financial control over financial reporting of the Company includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) 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 (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us, Holding Company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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 Registration Number: 103264W

Tejas Parikh
Partner
Membership Number: 123215
UDIN: 21123215AAAADG2402

Place : Mumbai
Date : 25 May 2021

Consolidated Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
I ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	49,669.80	27,285.99	14,309.55
(a) Right of Use Assets	5	64.91	67.63	88.71
(b) Capital Work-in-Progress	4	4,589.10	12,912.18	6,556.06
(c) Goodwill	6	-	281.59	657.04
(d) Other Intangible Assets	7	1.49	2.79	2.85
(e) Goodwill on Consolidation		1,232.76	-	-
(f) Financial Assets				
(i) Investments	8	233.70	1,810.81	3,392.23
(ii) Loans	9	583.45	605.44	391.18
(g) Other Non-current Assets	10	931.32	1,540.85	855.21
Total Non-Current Assets		**57,306.52**	**44,507.27**	**26,252.83**
Current assets				
(a) Inventories	11	7,217.04	4,486.43	4,790.99
(b) Financial Assets				
(i) Investments	12	400.06	474.67	1,043.41
(ii) Trade Receivables	13	15,677.99	13,259.43	14,137.78
(iii) Cash and Cash Equivalents	14	1,283.34	765.77	286.00
(iv) Bank Balances Other than Cash & Cash Equivalents	15	1,815.09	502.19	77.78
(v) Loans	16	68.94	74.55	47.81
(c) Other Current Assets	17	3,599.62	2,424.22	1,467.12
(d) Current Tax Assets (Net)	18	216.80	415.87	4.91
Total Current Assets		**30,278.88**	**22,403.13**	**21,855.79**
TOTAL ASSETS		**87,585.40**	**66,910.40**	**48,108.63**
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	19.1	2,715.35	1,214.92	586.44
(b) Optionally Convertible Preference Shares	19.1	40.56	183.31	-
(c) Share Capital Pending Allotment	19.2	-	-	811.80
(d) Other Equity	20	47,471.19	37,358.33	27,578.26
(e) Non Controlling Interest	21	630.13	1,312.68	1,162.68
Total Equity		**50,857.23**	**40,069.24**	**30,139.17**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
- Borrowings	22	7,530.20	8,407.64	4,491.86
(b) Provisions	23	83.26	24.11	99.56
(c) Deferred Tax Liabilities (net)	24	2,030.15	1,491.94	1,411.09
Total Non-current Liabilities		**9,643.61**	**9,923.68**	**6,002.51**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	11,038.24	4,063.56	3,261.27
(ii) Trade Payables	26			
A) Total Outstanding Dues of Micro enterprises and Small Enterprises; and				
B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		10,720.62	8,788.70	7,428.36
(iii) Other Financial Liabilities	27	4,632.08	3,593.61	788.00
(b) Other Current Liabilities	28	160.43	122.36	87.09
(c) Provisions	29	533.19	349.25	242.93
(d) Current Tax Liabilities (Net)	30	-	-	159.31
Total Current Liabilities		**27,084.56**	**16,917.48**	**11,966.95**
TOTAL EQUITY AND LIABILITIES		**87,585.40**	**66,910.40**	**48,108.63**

1. The above Balance Sheet should be read in conjunction with the accompanying notes.
2. 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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Lakhs except EPS)

Sr No.	Particulars	Notes	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
I	Revenue from operations	31	75,480.77	67,493.35
II	Other Income	32	593.81	630.39
III	**Total Revenue (I + II)**		**76,074.58**	**68,123.74**
IV	**Expenses**			
	Cost of materials consumed	33	41,319.24	38,519.55
	Purchase of stock-in-trade	34	1,539.45	390.13
	Changes in inventories of finished goods, work-in-progress and stock in trade	35	(992.22)	402.47
	Employee benefit expenses	36	2,940.28	2,278.47
	Finance Costs	37	499.80	232.64
	Depreciation, Amortization and Impairment Expenses	38	2,123.99	1,576.67
	Other Expenses	39	10,158.04	7,875.10
IV	**Total Expenses**		**57,588.57**	**51,275.03**
V	**Profit Before Tax (III - IV)**		**18,486.01**	**16,848.71**
VI	**Tax Expense:**			
	Current Tax		4,735.19	4,146.00
	Short/(Excess) Provision of earlier years		1.88	14.64
	Deferred Tax Charge		661.92	68.39
VI	**Total tax Expense**		**5,398.99**	**4,229.03**
VII	**Profit for the year (V - VI)**		**13,087.02**	**12,619.68**
VIII	**Other Comprehensive Income:**			
a)	(i) **Items that will not be reclassified to profit or loss in subsequent year**			
	Re-measurement of the net defined benefit plan		(55.95)	(34.28)
	Fair value changes of various financial intruments		888.91	70.45
	(ii) **Income tax relating to items that will not be reclassified to profit & loss**			
	Deferred tax on re-measurement of the net defined benefit plan		11.59	1.77
	Current tax on various financial instruments		(263.00)	-
	Deferred tax on fair value changes of various financial instruments		112.78	(14.23)
VIII	**Total Other Comprehensive Income / (loss) for the year, net of tax**		**694.34**	**23.71**
IX	**Total Comprehensive Income for the year (VII + VIII) (Total of Profit and Other Comprehensive Income for the year)**		**13,781.35**	**12,643.38**
	Profit for the year			
	Attributable to:			
	Non-controlling interests		1,630.63	226.95
	Owners of the Parent		11,456.39	12,392.73
	Total other comprehensive income for the year			
	Attributable to:			
	Non-controlling interests		1,630.63	226.95
	Owners of the Parent		12,150.72	12,416.44
	Earning per equity share of ₹ 10/- each (Previous Year: ₹ 10/- each)	**40**		
	(1) Basic		44.68	51.00
	(2) Diluted		40.97	44.32

1. The above statement of Profit and Loss should be read in conjunction with the accompanying notes.
2. 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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as on April 1, 2019	Changes in equity share capital during the period	Balance as on March 31, 2020	Changes in equity share capital during the period	Balance as on March 31, 2021
Ordinary Equity Shares	586.44	628.49	1,214.92	1,500.43	2,715.35
Optionally Convertible Equity Shares (Instruments entirely equity in nature)	-	183.31	183.31	(142.75)	40.56
Share Capital Pending Allotment	811.80	(811.80)	-	-	-
Total	**1,398.23**	**-**	**1,398.23**	**1,357.67**	**2,755.90**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and surplus			Equity instruments through Other Comprehensive Income	Total Other Equity	Non-Controlling Interest	Total
	Capital Reserve	General Reserve	Retained earnings				
Balance as at 01st April 2019	7,846.30	1,375.12	15,277.24	-	24,498.66	1,162.68	25,661.34
Changes in opening balances pursuant to application of Ind AS	-	-	-	3,079.60	3,079.60	-	3,079.60
Revised Opening Balance as at 01st April 2019	**7,846.30**	**1,375.12**	**15,277.24**	**3,079.60**	**27,578.26**	**1,162.68**	**28,740.94**
Net profit for the year	-	-	12,392.74	-	12,392.74		12,392.74
Fair value changes of various Financial intruments (net off tax)	-	-	-	56.22	56.22		56.22
Remeasurement Gain / (Loss) on defined benefit plan (net off tax)	-	-	(32.51)	-	(32.51)		(32.51)
Transfers from Retained earnings to General reserves	-	1,389.85	(1,389.85)	-	-		-
Amount utilized for Dividend and Dividend Distribution Tax	-	-	(2,636.37)	-	(2,636.37)		(2,636.37)
Transaction with Non-controlling interest						150.00	150.00
Balance as at 31st March 2020	**7,846.30**	**2,764.97**	**23,611.25**	**3,135.82**	**37,358.33**	**1,312.68**	**38,671.01**
Bonus Issue during the year	-	-	(1,357.67)	-	(1,357.67)		(1,357.67)
Expenses incurred for issuance of Bonus Shares	-	-	(1.36)	-	(1.36)		(1.36)
Net profit for the year	-	-	11,456.39	-	11,456.39		11,456.39
Fair value changes of various Financial intruments (net off tax)	-	-	-	738.69	738.69		738.69
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-	-	(44.36)	-	(44.36)		(44.36)
Transfer to retained earnings on disposal of FVTOCI equity instruments	-	-	3,660.99	(3,660.99)	-		-
Transfers from Retained earnings to General reserves	-	1,145.92	(1,145.92)	-	-		-
Amount utilized for Dividend	-	-	(678.84)	-	(678.84)		(678.84)
Transaction with Non-controlling interest						(682.54)	(682.54)
Balance as at 31st March 2021	**7,846.30**	**3,910.88**	**35,500.48**	**213.52**	**47,471.19**	**630.13**	**48,101.32**

1 The above Statement of Changes in Equity be read in conjunction with the accompanying notes.

2 Previous Year's figures are regrouped / rearranged wherever required.

3 Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹ 76.87 Lakhs (PY ₹ 32.51 Lakhs).

4 Refer Note No. 20 for nature and purpose of reserves.

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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
(A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	18,486.01	16,848.72
	Adjustments		
	Add:		
	Finance Cost	499.80	82.20
	Profit /(Loss) on Property, Plant and Equipment (PPE)	-	1.00
	Loss on Investment in Subsidiary	-	
	Depreciation and Amortization and Impairment Expense	2,123.99	1,544.28
	Less:		
	Interest Income	48.35	31.98
	Gains on Sale/Redemption of Investments	28.85	167.42
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	0.26	-
	Dividend Income	3.34	21.27
	Lease rent	193.40	180.00
	Operating Profit Before Working Capital Changes	**20,835.58**	**18,075.52**
	Adjustments		
	Add/(Less):		
	(Increase)/Decrease in Trade Receivables	(2,418.56)	878.34
	(Increase)/Decrease in Inventories	(2,730.61)	304.57
	(Increase)/Decrease in Loans	27.61	(2,438.77)
	(Increase)/Decrease in Other Current Assets	(1,173.28)	-
	(Increase)/Decrease in Other Non-Current Assets	440.46	-
	Increase/(Decrease) in Trade Payable	1,931.91	1,360.34
	Increase/(Decrease) in Provisions	243.10	2,779.25
	Increase/(Decrease) in Other Current Liabilities	14.36	95.23
	Increase/(Decrease) in Financial Liabilities	(1,219.91)	(768.00)
	Cash Generated from Operation	**15,950.66**	**20,286.47**
	Direct Taxes Paid	(4,660.00)	(4,160.63)
	Net Cash Flow from Operating Activities (A)	**11,290.66**	**16,125.84**
(B)	**Cash Flow from Investing Activities**		
	Acquisition of Property, Plant and Equipment and CWIP (net)	(17,134.61)	(20,510.65)
	Sales Proceeds of Property, Plant and Equipment (PPE)	3.07	8.32
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	(0.26)	-
	Bank Balances not considered as Cash and Cash Equivalents	(1,312.91)	(424.41)
	Interest Income	48.35	31.98
	Sales Proceeds from disposal of investments	2,562.70	2,331.35
	Dividend Income	3.34	21.27
	Lease Rent	193.40	180.00
	Net Cash Flow from Investing Activities (B)	**(15,636.91)**	**(18,362.14)**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
(C) Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short-Term Borrowings	4,661.50	725.35
Proceeds/(Repayment) of Long-Term Borrowings	1,380.95	4,709.30
Payment of Dividend & Tax thereon	(678.84)	(2,636.37)
Interest Paid	(499.80)	(82.20)
Net Cash Flow from Financing Activities (C)	**4,863.81**	**2,716.07**
Net Increase in Cash and Cash Equivalents (A+B+C)	517.56	479.77
Opening Balance of Cash and Cash Equivalents	765.77	286.00
Closing Balance of Cash and Cash Equivalents	**1,283.34**	**765.77**

1. The above statement of Cash Flows should be read in conjunction with the accompanying notes.
2. Previous Year's figures are regrouped/rearranged wherever required.
3. Figures in brackets indicate cash outgo.
4. The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow.
5. Cash flows from operating activities include ₹ 280.38 lakhs (March 31, 2020: ₹ 165.81 lakhs) being expenses towards Corporate Social Responsibility initiatives.
6. Cash and Cash Equivalents include Balances in Dividend Accounts ₹ 3.43 Lakh (PY ₹ 2.90 Lakh), which are not available for use by the Company except for payment of unpaid dividend or transfer to IEPF.
7. **Cash and Cash Equivalents comprises of:**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
a. Cash on Hand	9.06	14.49
b. Balances with Banks	1,274.28	751.28
Total	**1,283.34**	**765.77**

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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Valiant Organics Limited ("VOL" or "the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange ('BSE'). The registered office of the Company is located 109, Udyog Kshetra, 1st Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai.

The Company and its subsidiaries are referred to as the Group here under. The Group is engaged in manufacturing and dealing in specialty chemicals and pharma intermediates in India and abroad.

Details of Subsidiaries

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Valiant Speciality Chemical Limited	India	100%
Dhanvallabh Venture LLP	India	73.15%
Bharat Chemicals (Through Dhanvallabh Ventures LLP as partner)	India	68.50%

2. SUMMARY OF BASIS OF COMPLIANCE, BASIS OF PREPARATION AND PRESENTATION, AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

2.1 Basis of Compliance

The Company's consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

The Consolidated financials for the year ended March 31, 2021 of the Company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2019. The financial statements upto the year ended March 31, 2020, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("I-GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2020 have now been restated as per Ind AS to provide comparability.

These Consolidated financial statements have been approved by the Board of Directors at their meeting held on 25th May, 2021.

Detailed explanation on how the transition from previous I-GAAP to Ind AS has affected the Company's Consolidated Balance Sheet, financial performance and cash flows is given under Note 49 to the Consolidated Financial Statements.

2.2 Basis of Preparation and Presentation of Financials Statements

The Consolidated Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Certain financial instruments measured at fair value (refer accounting Policy regarding financial instruments); and

(ii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at the reporting date.

Subsidiaries

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

The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Indian Accounting Standards. Accounting Policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The results of subsidiaries acquired or disposed during the year are included in the Consolidated Financial Statements from the effective date of acquisition and upto the effective of disposal, as appropriate.

The Consolidated Financial Statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the Companies Act, 2013 as applicable to the Company's Standalone Financial Statements.

Non-Controlling Interest ('NCI') in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling investors at the reporting date.

Goodwill on Consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the subsidiary and any previous interest held by the holding Company over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed.

Profit and Loss and each component of OCI are attributed to the equity holders of the holding Company and to the NCI, even if this results in the NCI having a deficit balance.

Changes in Ownership Interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiaries. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate because of loss of control, any retained interest in the entity is remeasured to its fair value with the change of subsequent accounting for the retained interest as an associate, joint venture, or financial asset, as appropriate.

Functional & Presentation Currency:

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

i. **Provision for Income Tax and Deferred Tax Assets:**

The management uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the management exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

ii. **Useful Lives of Property, Plant and Equipment ("PPE"):**

Property, plant and equipment represents a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iii. **Defined Benefit Plans (Gratuity):**

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv. **Provisions and Contingent Liabilities:**

The management estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The management uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the management or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

v. **Provision against Obsolete and Slow-Moving Inventories:**

The management reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

vi. **Fair Value Measurement of Financial Instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

vii. Allowance for Credit Losses on Receivables

The management determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The management considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

viii. Impairment of Non-Financial Assets

The management assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

ix. Leases:

The management evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The management uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The management makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the management considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the management has concluded that no changes are required to lease period relating to the existing lease contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the consolidated financial statements have been classified as current or non-current as per the normal operating cycle of the entities included in the Group up to twelve months.

For the purpose of Consolidated Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realise the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The management does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the Group's accounting Policy.

For transition to Ind AS, the management has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date (i.e. April 1, 2019).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Cosnsolidated Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The management uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The management has used the following useful lives to provide depreciation on the following assets:

PARTICULARS	DEPRECIATION
Factory Building	Over a period of 30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years
	Over its useful life as technically assessed, i.e over a period of 19 years
Vehicle	Over a period of 10 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Leasehold Land	Over the tenure of lease

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

3.4 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and cumulative impairment losses. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is charged to the statement of profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the management can demonstrate technical and commercial feasibility of making the asset available for use or sale.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	AMORTISATION
Computer Software	3 years

3.5 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the management elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. The consideration transferred does not include amount related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the relevant Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and any difference subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of identifiable assets acquired net of fair value of liabilities assumed. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence, of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units belonging to the Group that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

3.6 Impairment of Non-Financial Assets:

The management assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the management estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the entities included in the Group suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method.

Work-in-Progress:

Work-in-Progress is valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on weighted average method.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits:

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(b) Post-employment benefits:

(i) Defined Contribution Plan:

The Group makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(ii) Defined Benefit Plan

The gratuity liability of the Group is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Group's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(c) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

3.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Group recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the management or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the management expects, at the end of reporting period, to recover or settle the carrying amount of the assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition:

Revenue from Operations:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

To recognise revenues, the Group applies the following five step approach in accordance with Ind AS 115:

(a) identify the contract with a customer

(b) identify the performance obligations in the contract

(c) determine the transaction price

(d) allocate the transaction price to the performance obligations in the contract and

(e) recognise revenues when a performance obligation is satisfied.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Sale of Goods:

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the management estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend Income:

Dividend income is recognized when the right to receive the payment is established, which is generally when shareholders approve the dividend.

Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.14 Leases:

The management evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a Lessee:

The management assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset

The management determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the entity is reasonably certain to exercise that option.

The Group at the commencement of the lease contract, recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of

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for the year ended 31st March, 2021

the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate is not readily determinable, the lease payments are discounted using the incremental borrowing rate that the relevant entities in the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the relevant entity in the Group are reasonably certain to exercise, lease payments in an optional renewal period if the relevant entities in the Group are reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

As a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the concerned entity to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the concerned entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.15 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of 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 for the period for which they are incurred. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.17 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the holding Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders of the holding Company and the weighted average number of shares outstanding during

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the period are adjusted for the effects of all dilutive potential equity shares.

3.18 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The management determines the classification of the financial assets and liabilities at initial recognition.

Initial Recognition:

Financial assets and/or financial liabilities are recognised when any of the Group Entities becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Group classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.

(a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Classification and Subsequent Measurement of Financial Liabilities:

(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(b) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group Entities are recognised at the proceeds received, net of direct issue costs.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the mangement may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The management makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the management decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the cumulative gain or loss may be transferred within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition of Financial Instruments:

The Group derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The management uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

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Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that it expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

4. PROPERTY, PLANT AND EQUIPMENT (PPE)

(₹ in Lakhs)

Particulars	Land	Factory Building	Residential Building	Plant & Machinery	Power Plant	Electrical Installation	Laboratory Equiptment	Furniture & Fixture	Vehicle	Computer	Office Equipment	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2020 Gross carrying amount													
Opening gross carrying amount as at April 1, 2019	1,722.98	2,851.27	35.85	15,251.85	178.97	75.48	21.90	135.56	344.36	100.49	76.76	20,795.47	6,556.06
Addition during the year	964.00	153.12	-	2,092.67	-	76.27	11.66	109.77	35.88	19.39	30.88	3,493.64	17,015.85
Assets capitalised during the year from CWIP	-	1,999.55		8,660.18	-	-	-	-	-	-	-	10,659.73	(10,659.73)
Disposals during the year	-	-	-	(156.00)	-	-	-	-	(18.50)	-	-	(174.50)	
Closing gross carrying amount	**2,686.98**	**5,003.94**	**35.85**	**25,848.70**	**178.97**	**151.75**	**33.56**	**245.33**	**361.73**	**119.88**	**107.64**	**34,774.34**	**12,912.18**
Accumulated depreciation													
Opening accumulated depreciation	17.72	512.34	7.23	5,571.21	17.19	23.53	8.29	33.79	175.19	75.82	43.59	6,485.92	-
Depreciation charge during the year	14.64	151.31	1.14	905.50	8.95	10.29	2.27	15.28	26.94	18.57	12.72	1,167.62	-
Disposals during the year	-	-	-	(156.00)	-	-	-	-	(9.19)	-	-	(165.19)	-
Closing accumulated depreciation	**32.36**	**663.65**	**8.37**	**6,320.72**	**26.14**	**33.82**	**10.56**	**49.07**	**192.94**	**94.40**	**56.32**	**7,488.35**	**-**
Net carrying amount	**2,654.62**	**4,340.29**	**27.48**	**19,527.98**	**152.83**	**117.93**	**23.00**	**196.26**	**168.79**	**25.48**	**51.32**	**27,285.99**	**12,912.18**
Year ended March 31, 2021 Gross carrying amount													
Opening gross carrying amount as at April 1, 2020	2,686.98	5,003.94	35.85	25,848.70	178.97	151.75	33.56	245.33	361.73	119.88	107.64	34,774.34	12,912.18
Addition during the year	226.71	347.15	-	1,884.32	1.04	87.25	14.37	158.17	49.25	27.06	35.63	2,830.95	13,031.35
Assets capitalised during the year from CWIP	1,316.40	7,815.75		12,222.28								21,354.43	(21,354.43)
Disposals during the year	-	-	-	0	-	-	-	-	(14.12)	-	0	(14.12)	
Closing gross carrying amount	**4,230.09**	**13,166.84**	**35.85**	**39,955.30**	**180.01**	**239.00**	**47.92**	**403.50**	**396.87**	**146.94**	**143.27**	**58,945.60**	**4,589.10**
Accumulated depreciation													
Opening accumulated depreciation	32.36	663.65	8.37	6,320.72	26.14	33.82	10.56	49.07	192.94	94.40	56.32	7,488.35	-
Depreciation charge during the year	33.00	239.05	1.14	1,400.02	8.99	19.18	3.50	28.47	25.99	22.72	16.70	1,798.76	
Disposals during the year	-	-	-	0	-	-	-	-	(11.31)	-	0	(11.31)	
Closing accumulated depreciation	**65.36**	**902.71**	**9.51**	**7,720.74**	**35.13**	**53.01**	**14.06**	**77.54**	**207.62**	**117.12**	**73.01**	**9,275.80**	**-**
Net carrying amount	**4,164.74**	**12,264.14**	**26.35**	**32,234.56**	**144.87**	**185.99**	**33.87**	**325.96**	**189.25**	**29.82**	**70.26**	**49,669.80**	**4,589.10**

Borrowing cost of ₹ 749.25 Lakhs have been capitalised during the year (March 31, 2020 - 283.29 Lakhs)

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for the year ended 31st March, 2021

5. RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	Right-of-Use Asset Building
Year ended March 31, 2020 Gross carrying amount	
Opening gross carrying amount as at April 1, 2019	88.71
Addition during the year	11.30
Disposals during the year	-
Closing gross carrying amount	**100.01**
Accumulated depreciation	
Opening accumulated depreciation	-
Depreciation charge during the year	32.38
Disposals during the year	-
Closing accumulated depreciation	**32.38**
Net carrying amount	**67.63**
Year ended March 31, 2021 Gross carrying amount	-
Opening gross carrying amount as at April 1, 2020	100.01
Addition during the year	39.55
Disposals during the year	-
Closing gross carrying amount	**139.57**
Accumulated depreciation	
Opening accumulated depreciation	32.38
Depreciation charge during the year	42.27
Disposals during the year	-
Closing accumulated depreciation	**74.65**
Net carrying amount	**64.91**

6. GOODWILL

(₹ in Lakhs)

Particulars	Goodwill
Year ended March 31, 2020 Gross carrying amount	
Opening gross carrying amount as at April 1, 2019	2,077.26
Addition during the year	-
Disposals during the year	-
Closing gross carrying amount	**2,077.26**
Accumulated amortisation/impairment	
Opening accumulated amortisation/impairment	1,420.22
Amortisation/Impairment for the year	375.45
Disposals during the year	-
Closing accumulated amortisation/impairment	**1,795.67**
Net carrying amount	**281.59**
Year ended March 31, 2021 Gross carrying amount	
Opening gross carrying amount as at April 1, 2020	2,077.26
Addition during the year	-
Disposals during the year	-
Closing gross carrying amount	**2,077.26**
Accumulated amortisation/impairment	
Opening accumulated amortisation/impairment	1,795.67
Amortisation/Impairment for the year	281.59
Disposals during the year	-
Closing accumulated amortisation/impairment	**2,077.26**
Net carrying amount	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

7. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Technical Knowhow	Computer Software	Total
Year ended March 31, 2020 Gross carrying amount			
Opening gross carrying amount as at April 1, 2019	150.00	2.97	152.97
Addition during the year	-	1.16	1.16
Disposals during the year	-	-	-
Closing gross carrying amount	**150.00**	**4.12**	**154.12**
Accumulated depreciation			
Opening accumulated depreciation	150.00	0.12	150.12
Depreciation charge during the year	-	1.21	1.21
Disposals during the year	-	-	-
Closing accumulated depreciation	**150.00**	**1.33**	**151.33**
Net carrying amount	**-**	**2.79**	**2.79**
Year ended March 31, 2021 Gross carrying amount			
Opening gross carrying amount as at April 1, 2020	150.00	4.12	154.12
Addition during the year	-	-	-
Disposals during the year	-		-
Closing gross carrying amount	**150.00**	**4.12**	**154.12**
Accumulated depreciation			
Opening accumulated depreciation	150.00	1.33	151.33
Depreciation charge during the year	-	1.31	1.31
Disposals during the year	-		-
Closing accumulated depreciation	**150.00**	**2.64**	**152.64**
Net carrying amount	**-**	**1.49**	**1.49**

8. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Quoted Investments - FVTOCI			
- Investments in Equity Shares	233.70	1,810.81	3,392.23
Total	**233.70**	**1,810.81**	**3,392.23**

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Investments in Equity Shares (Quoted)						
Aarti Industries Limited (FV ₹ 5)	15,000	199.90	235,800	1,810.81	216,400	3,392.23
Investments in Preference Shares (Unquoted)						
Aarti Surfactants Limited - 4% Redeemable Preference Shares	20,500	33.80	-	-	-	-
Total	**35,500**	**233.70**	**235,800**	**1,810.81**	**216,400**	**3,392.23**

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for the year ended 31st March, 2021

9. NON CURRENT FINANCIAL ASSETS: LOANS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Security Deposit			
Unsecured, Considered Good :	583.45	605.44	268.30
Loan To Others			
Unsecured Considered Good	-	-	122.88
Total	**583.45**	**605.44**	**391.18**

10. OTHER NON CURRENT ASSETS

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Capital Advances	931.32	1,540.85	855.21
Total	**931.32**	**1,540.85**	**855.21**

11. INVENTORIES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Raw Material (incl In-transit stock)	4,048.08	2,408.91	2,402.64
Fuel	50.41	109.85	9.40
Stores & Spares	272.94	102.59	102.67
Packing Materials	60.68	65.54	40.01
Work-in-Progress	325.50	524.41	941.08
Finished Goods	2,459.43	1,275.12	1,295.19
Total	**7,217.04**	**4,486.43**	**4,790.99**

11.1 IN-TRANSIT INVENTORIES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Raw Material (In Transit Stock)	595.21	-	-
Total	**595.21**	**-**	**-**

12. CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Current Investment	March 31, 2021	March 31, 2020	April 1, 2019
Quoted Investments			
Investment in Equity Shares (Quoted) - measured at FVTOCI	14.02	117.48	134.17
Investment in Mutual Funds (Quoted) - Measured at FVTPL	386.04	357.19	909.24
Total	**400.06**	**474.67**	**1,043.41**

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for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	No of Shares	March 31, 2021	No of Shares	March 31, 2020	No of Shares	April 1, 2019
Investments - in Equity Shares (Quoted)						
Other Companies - measured at FVTOCI						
Axis Bank Limited (FV ₹ 2)	-	-	460	1.74	460	3.59
Biocon Limited (FV ₹ 5)	-	-	2,250	6.09	2,250	6.80
Bodal Chemicals Limited (FV ₹ 2)	-	-	2,000	0.85	2,000	1.32
Elantas Beck India Limited (FV ₹ 10)	400	13.49	400	9.04	400	9.57
Grasim Industries Limited (FV ₹ 2)	-	-	2,750	13.73	2,750	24.48
HDFC Bank Limited (FV ₹ 2)	-	-	555	4.95	555	6.60
HDFC Standard Life Insurance Company Limited (FV ₹ 10)	-	-	7,500	33.12	7,500	28.35
ICICI Bank Limited (FV ₹ 2)	-	-	770	2.50	770	3.16
Mahanagar Gas Limited (FV ₹ 10)	-	-	500	4.19	500	5.28
Orchid Pharma Limited (FV ₹ 10)	22	0.53	22	0.90	22	1.00
State Bank of India (FV ₹ 1)	-	-	5,000	9.90	5,000	16.25
Sundaram Finance Limited (FV ₹ 10)	-	-	5,750	10.35	5,750	4.89
Sundaram Finance Holdings Limited (FV ₹ 5)	-	-	750	9.38	750	11.70
Torrent Pharmaceuticals Limited (FV ₹ 5)	-	-	500	10.36	500	9.75
Va Tech Wabag Limited (FV ₹ 2)	-	-	400	0.38	400	1.45
Mutual Fund - measured at FVTPL						
Axis Mutual Fund	18,402	386.04	18,402	357.19	-	-
Reliance Liquid Fund		-		-	3,182	145.00
Reliance Money Market Direct Growth Fund		-		-	27,007	764.24
Total	**18,824**	**400.06**	**48,009**	**474.67**	**59,796**	**1,043.41**

13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
TRADE RECEIVABLES			
Unsecured			
Debts outstanding for more than six months from the date they are due for payment			
Considered Good	766.40	352.10	34.91
Considered Doubtful	214.42	119.89	104.60
	980.81	**472.00**	**139.52**
Less : Provision For bad Debts	(214.42)	(119.89)	(104.60)
	766.40	**352.10**	**34.91**
Other Debts - Considered Good	14,911.59	12,907.33	14,102.86
Total	**15,677.99**	**13,259.43**	**14,137.78**

Due to the short nature of credit period given to customers, there is no financing component in the contract.

Refer Note No 47.2 for ageing of trade receivables and movement in provision for doubtful debts.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

14. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Cash & Cash Equivalents			
Cash on hand	9.06	14.49	17.64
Balances with Banks	1,274.28	751.28	268.36
Total	**1,283.34**	**765.77**	**286.00**

Cash and Cash Equivalents include Balances in Dividend Accounts ₹ 3.43 Lakh (PY ₹ 2.90 Lakhs) which are not available for use by the Company except for payment of unpaid dividend or transfer to IEPF.

15. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Fixed Deposits	1,815.09	502.19	77.78
Total	**1,815.09**	**502.19**	**77.78**

16. CURRENT FINANCIAL ASSETS - LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Unsecured, Considered Good			
- Security Deposits	19.95	19.45	7.52
- Interest Receivable	1.58	1.58	1.58
- Advance to Staff / Workers	47.41	44.53	29.71
- Other	-	9.00	9.00
Total	**68.94**	**74.55**	**47.81**

17. OTHER CURRENT ASSETS

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Other Current Assets	March 31, 2021	March 31, 2020	April 1, 2019
Balance with Statutory / Government Authorities	2,442.64	2,065.94	1,341.67
Advances to Suppliers	1,129.04	328.18	9.95
Export Benefits Receivable	-	3.54	64.08
Pre-paid Expenses	19.95	18.31	46.57
Receivable - Others	7.98	8.24	4.85
Total	**3,599.62**	**2,424.22**	**1,467.12**

18. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Advance Tax and Tax Deducted at Source (Net of Provision)	216.80	415.87	4.91
Total	**216.80**	**415.87**	**4.91**

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for the year ended 31st March, 2021

19. EQUITY SHARE CAPITAL

19.1 AUTHORISED SHARE CAPITAL

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Authorised:			
2,06,00,000 Equity Shares of ₹ 10/- each (March 31, 2020 - 2,06,00,000 & April 1, 2019 - 1,05,00,000)	2,060.00	2,060.00	1,050.00
20,00,000 Optionally Convertible Preference Shares of ₹ 10 each (March 31, 2020 - 20,00,000 & April 1, 2019 - Nil)	200.00	200.00	-
40,000 Redeemable Non-Cumulative Preference Shares of ₹ 100 each (March 31, 2020 - 40,000 & April 1, 2019 - Nil)	40.00	40.00	-
Total	**2,300.00**	**2,300.00**	**1,050.00**

Issued, Subscribed & Paid Up:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Equity Share Capital	**1,214.92**	**586.44**	**586.44**
Add: Equity Shares allotted to the investors of Amarjyot Chemical Limited	-	628.49	-
Add: Conversion of Optionally Convertible Preference Shares	142.75	-	-
Add: Issue of Bonus Shares	**1,357.67**	**-**	**-**
2,71,53,488 Equity Shares of ₹ 10 each (March 31, 2020 - 1,21,49,218 & April 1, 2019 -58,64,350). [A]	**2,715.35**	**1,214.92**	**586.44**
Optionally Convertible Preference Shares	183.31	-	-
Add: Optionally Convertible Preference Shares allotted to the investors of Amarjyot Chemical Limited (Acquired Company)	-	183.31	-
Less : Converted to Equity Shares during the year	(142.75)	-	-
4,05,561 Optionally Convertible Preference Shares of ₹ 10 each (March 31, 2020 - 18,33,087 & April 1, 2019 - Nil). [B]	**40.56**	**183.31**	**-**
Total (A+B)	**2,755.90**	**1,398.23**	**586.44**

19.2 SHARE CAPITAL PENDING ALLOTMENT

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Share Capital Pending Allotment			
- Equity Share Capital	-	-	628.49
- Optionally Convertible Preference Shares	-	-	183.31
Closing Balance of Share Capital Pending Allotment at the year end	**-**	**-**	**811.80**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

19.3 RECONCILIATION OF EQUITY SHARES OUTSTANDING

A. Reconciliation of number of ordinary equity shares outstanding

(₹ in Lakhs)

Ordinary Equity Shares Outstanding	March 31, 2021		March 31, 2020		April 1, 2019	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,149,218	1,214.92	5,864,350	586.44	5,864,350	586.44
Add: Equity Shares allotted to the investors of acquired Company	-	-	6,284,868	628.49	-	-
Add: Conversion of Optionally Convertible Preference Shares	1,427,526	142.75	-	-	-	-
Add: Issue of Bonus shares (1:1)	13,576,744	1,357.67	-	-	-	-
Shares outstanding at the end of the year	**27,153,488**	**2,715.35**	**12,149,218**	**1,214.92**	**5,864,350**	**586.44**

B. Reconciliation of number of optionally convertible preference shares outstanding (Instruments entirely equity in nature)

(₹ in Lakhs)

Optionally Convertible Preference Shares Outstanding	March 31, 2021		March 31, 2020		April 1, 2019	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,833,087	183.31	-	-	-	-
Add: Optionally Convertible Preference Shares allotted to the investors of Amarjyot Chemical Limited (Acquired Company)	-	-	1,833,087	183.31	-	-
Less: Conversion in to ordinary Equity Shares during the year	(1,427,526)	(142.75)	-	-	-	-
Shares outstanding at the end of the year	**405,561**	**40.56**	**1,833,087**	**183.31**	**-**	**-**

19.4 DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES

A. Ordinary Equity Shares

(₹ in Lakhs)

Ordinary Equity Shares	March 31, 2021 Equity Share		March 31, 2020 Equity Share		April 1, 2019 Equity Share	
	Number	% of Holding	Number	Amount	Number	Amount
Mr. Arvind K. Chheda	855,476	3.15	427,738	3.52	427,738	7.29
Mr. Bhanumati M. Savla	900,460	3.32	450,230	3.70	451,130	7.69
Mrs. Aarti R. Gogri	2,143,914	7.90	917,239	7.54	291,721	4.97
Mrs. Manisha R. Gogri	1,589,114	5.85	707,525	5.82	709,129	12.09
Mrs. Jaya C. Gogri	2,309,644	8.51	984,198	8.10	320,336	5.46
Mrs. Tarla Parimal Desai	1,855,278	6.83	837,827	6.90	156,190	2.66

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for the year ended 31st March, 2021

B. Optionally Convertible Preference Shares (Instruments entirely equity in nature)

(₹ in Lakhs)

Particulars	March 31, 2021 Equity Share		March 31, 2020 Equity Share		April 1, 2019 Equity Share	
	Number	% of Holding	Number	Amount	Number	Amount
Mrs. Aarti R. Gogri	-	-	206,068	11.24	-	-
Mrs. Jaya C. Gogri	-	-	257,214	14.03	-	-
M/s Dilesh Roadlines Private Limited	182,404	44.98	313,479	17.10	-	-
Mrs. Tarla Parimal Desai	40,622	10.02	198,222	10.81	-	-
Mr. Bhavesh B.Mehta	23,814	5.87	107,638	5.87	-	-

19.5 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

A. Equity Shares

The Company has only one class of Shares referred to as Equity Shares having 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 shareholders.

B. 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.

20. OTHER EQUITY

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
a. Capital Reserve	7,846.30	7,846.30	7,846.30
b. General Reserve	3,910.88	2,764.97	1,375.12
c. Retained Earning	35,500.49	23,611.25	15,277.24
d. Equity Instruments through Other Comprehensive Income	213.52	3,135.82	3,079.60
Total	**47,471.19**	**37,358.33**	**27,578.26**

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Equity Instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

a. Capital Reserve

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Opening Balance	**7,846.30**	**7,846.30**	**1,436.02**
Pursuant to the Scheme of Merger with Amarjyot Chemical Limited	-	-	6,410.28
Closing Balance	**7,846.30**	**7,846.30**	**7,846.30**

b. General Reserve

(₹ in Lakhs)

Particulars	As at 31St March, 2021	As at 31St March, 2020	As at 1St April, 2019
Opening Balance	**2,764.97**	**1,375.12**	**69.85**
Add : Transferred from Retained Earning	1,145.92	1,389.85	1,305.27
Closing Balance	**3,910.88**	**2,764.97**	**1,375.12**

c. Retained Earning

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Retained Earning			
Opening Balance (Surplus in Profit & Loss)	**23,611.25**	**15,277.24**	**3,823.79**
Add: Net Profit for the year	11,456.39	12,392.74	13,323.54
Less: Remeasurement (Loss) on defined benefit plan (net off tax)	(44.36)	(32.51)	-
Add: Transferred from Other Comprehensive Income on disposal of FVTOCI equity instruments	3,660.99	-	-
Amount available for appropriation	**38,684.27**	**27,637.47**	**17,147.32**
Appropriation:			
Interim Dividend	(678.84)	(2,186.86)	(504.05)
Tax on Interim Dividend		(449.52)	(60.76)
Issuance of Bonus Shares	(1,357.67)	-	-
Expenses incurred for issuance of Bonus Shares	(1.36)	-	-
Transferred to General Reserve	(1,145.92)	(1,389.85)	(1,305.27)
Closing Balance	**35,500.49**	**23,611.25**	**15,277.24**

Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of ₹ 76.87 Lakhs (PY ₹ 32.51 Lakhs).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

d. Equity Instruments through Other Comprehensive Income

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Opening Balance	**3,135.82**	**3,079.60**	**-**
Add: Fair value changes of various Financial intruments (net off tax)	738.69	56.22	3,079.60
Less : Transfer to retained earnings on disposal of FVTOCI equity instruments	(3,660.99)	-	-
Closing Balance	**213.52**	**3,135.82**	**3,079.60**

21. NON-CONTROLLING INTEREST

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Dhanvallabh Venture LLP	0.13	0.18	0.18
Bharat Chemicals (Through Dhanvallabh Ventures LLP as partner)	630.00	1,312.50	1,162.50
Valiant Speciality Chemical Limited	-	-	-
Total	**630.13**	**1,312.68**	**1,162.68**

22. NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Secured loan			
Term Loans from Banks			
- Foreign currency loan -ECB / FCNR	5,566.42	7,479.05	2,179.35
- Indian currency loan	1,910.11	496.26	-
Unsecured Loans			
- From Related Parties (Refer Note No 45)	-	-	522.86
- From Others	30.00	377.05	1,723.63
Long term maturities of lease obligations	23.67	55.28	66.01
Total	**7,530.20**	**8,407.64**	**4,491.86**

Refer Note No 47.1.1 and 47.3 in respect of Interest Risk Management and Liquidity Risk Management.

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Name of Bank	Terms of Repayment & Securities
Term Loan - 1	
Amount Sanctioned	USD 5,568,703.88
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 348,043.99 each commencing from May 28, 2021 ending on Feb 28, 2025. The amount is payable in the month of May, August, Nov and Feb of each year.
Rate of Interest	Interest 3.15%
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.

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for the year ended 31st March, 2021

Name of Bank	Terms of Repayment & Securities
Term Loan - 2.1	
Amount Sanctioned	USD 34,00,000
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 2,12,500/- each commencing from Dec 2020 ending on Dec 2024. The amount is payable in the month of June, Sep, Dec and March of each year.
Rate of Interest	L+ 200 bps +Withholding cost
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.
Term Loan -2.2	
Amount Sanctioned	USD 25,00,000
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 62,500/- each commencing from May, 2020 ending on Feb, 2024. The amount is payable in the month of May, August, Nov and Feb of each year. The Term Loan is Repayable in 16 equal quarterly installments of USD 93,750/- each commencing from July, 2020 ending on April, 2024. The amount is payable in the month of July, Oct, Jan and April of each year.
Rate of Interest	Interest rate of 9.75% on INR amount.
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.
Term Loan -3	
Amount Sanctioned	INR 20,00,00,000
Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of ₹ 1,25,00,000/- each commencing from Jan, 2022 ending on Oct, 2025. The amount is payable in the month of Jan, April, July and Oct of each year.
Rate of Interest	Interest 6.80%
Nature of Security	The loan is secured by pari pasu 1st charge on the existing and future movable fixed assets of the borrower, including movable fixed assets located at sarigam, Tarapur, Vapi, Jhagadia, and Ahmedabad.
Term Loan -4	
Amount Sanctioned	INR 49,92,000
Terms of Repayment	The Term Loan is Repayable in 84 equal monthly installments of ₹ 80,316.68/- each commencing from Sep 2018 ending August 2025.
Rate of Interest	Interest 9.00%
Nature of Security	Vehicle

(₹ in Lakhs)

Particulars	1-2 years	2-3 years	3-4 years	Beyond 4 Year
Term Loan - 1	1,023.31	1,023.31	1,023.31	-
Term Loan - 2	1,069.79	1,069.79	356.89	-
Term Loan - 3	500.00	500.00	500.00	375.00
Term Loan -4	20.67	14.45	-	-
Unsecured Loan	30.00	-	-	-
Long term maturities of lease obligations	23.67	-	-	-
Total	**2,667.44**	**2,607.55**	**1,880.21**	**375.00**

23. NON CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Provision For Employees Benefit			
Provision for Gratuity	83.26	24.11	85.75
Provision for Leave Salary	-	-	13.81
Total	**83.26**	**24.11**	**99.56**

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24. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Opening Balance	**1,491.94**	**1,411.09**	**1,109.83**
- On Fixed Assets	662.14	67.54	176.61
- On Accrued benefit to Employees			
- On Revaluation of Investments	(112.30)	14.23	125.75
- On Re-measurement of the defined benefit plan	(11.59)		
- On Security deposits	(0.03)	(0.92)	(1.10)
Total	**2,030.15**	**1,491.94**	**1,411.09**

The movement of deferred tax account is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 1st April, 2019
Opening balance	**1,491.94**	**1,411.09**	**1,109.83**
Tax (expense) recognised in profit or loss	662.10	66.62	175.51
Tax (expense) recognised in other comprehensive income	(123.89)	14.23	125.75
Closing balance	2,030.15	**1,491.94**	**1,411.09**

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

(Refer Note 43 for reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes).

25. CURRENT FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Secured Loans			
Loan From Bank			
- Cash Credit Facility	90.82	2,573.37	1,845.56
- Working Capital Demand Loan	4,900.00	-	-
- Packing Credit in foreign currency	116.87	-	-
Unsecured Loans			
- Others	5,930.54	1,490.20	1,415.71
Total	**11,038.24**	**4,063.56**	**3,261.27**

Cash Credit, Foreign Currency Export Packing Credit, Packing Credit in Rupee and Working Capital Demand Loan facilities are part of Working Capital facilities availed from various Banks and are secured by way of Pari Passu first charge by hypothecation of Raw Materials, Stock-In-Process, Semi-Finished Goods, Finished Goods, Packing Materials and Stores and Spares, Bills Receivables and Book Debts and all other moveable, both present and future.

Cash Credit Facility	Is repayable on demand and carries interest @ 7% p.a. to 9.5 % p.a. (Previous year @ 7% p.a. to 9.5 %)
Foreign Currency Export Packing Credit	Is repayable on demand and carries interest @ 6% p.a. to 8 % p.a. (Previous year @ 6.5 % p.a. to 8 %)
Working Capital Demand Loan	Is repayable on demand and carries interest @ 6% p.a. to 8 % p.a. (Previous year @ 6.5 % p.a. to 8 %)

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26. TRADE PAYABLES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Trade & Non-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	10,720.62	8,788.70	7,428.36
Total	**10,720.62**	**8,788.70**	**7,428.36**

26.1 Details of the dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on available information with the Group are as under:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
the principal amount remaining unpaid to any supplier at the end of financial year;	-	-	-
the interest due on above, remaining unpaid to any supplier at the end of financial year;	-	-	-
the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year;	-	-	-
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-
the amount of interest accrued and remaining unpaid at the end of financial year; and	-	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-

Note: There are no Micro and Small Enterprise, to whom the Group owes dues, which are outstanding for more than 45 days as at 31st March, 2021. The information required to be disclosed in pursuance with the MSMED Act has been determined to the extent of identification of such vendors based on information given by the vendors to the Group.

27. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Creditors for Capital Goods	1,906.00	1,971.99	-
Unclaimed Dividends	3.40	2.87	0.60
Redeemable Preference Shares	38.40	38.40	38.40
Current Maturity of Long Term Debt	2,258.38	1,339.60	571.60
Current maturities of finance lease obligations	47.75	33.28	25.72
Other Current Liabilities	378.16	207.46	151.68
Total	**4,632.08**	**3,593.61**	**788.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

a. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021.

b. **Redeemable Non Cumulative Preference Shares (RNPS):** The Holding 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 Holding 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.

28. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Statutory Dues	103.58	82.15	87.09
Revenue Received in Advance	56.85	40.21	-
Total	**160.43**	**122.36**	**87.09**

29. CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Provision For Employees Benefits			
- Provision for Gratuity	87.68	73.51	(0.34)
- Provision for Leave Salary	96.03	13.37	22.68
- Provision for Bonus	148.83	123.14	43.51
- Provision for Salaries and Wages	200.66	139.23	177.08
Total	**533.19**	**349.25**	**242.93**

30. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Tax Provision (Net of Advance Tax and TDS)	-	-	159.31
Total	**-**	**-**	**159.31**

31. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Revenue from Sale of Manufactured Products (Net)	68,214.55	62,468.61
Trading Sales	1,552.64	419.76
Service Revenue	5,713.58	4,604.98
Total	**75,480.77**	**67,493.35**

Additional disclosures as required by Ind AS 115

The Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 Revenue from contracts with customers replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Refer Note No. 3.12 of Significant accounting policies for Revenue recognition. The Group has evaluated its contracts and concluded that there are no performance obligations.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Disaggregate revenue information

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2021. The Group believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Revenue from Sale of Manufactured Products (Net)		
- Local Sales	53,894.33	48,180.91
- Deemed Export	7,167.33	5,685.59
- Direct Exports	7,152.89	8,602.12
Trading Sales		
- Local Sales	1,552.64	419.76
Service Revenue		
Local Services	5,713.58	4,604.98
Total	**75,480.77**	**67,493.35**

Performance Obligations

Significant Payment Terms

In case of Domestic Sales, payment terms range from 60 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance and Letters of Credit - 60 days to 120 days.

Obligations for returns, refunds and similar obligations

In case of sales return may take within 180 days after delivery.

Refer Note No. 42 for operating segments, revenue from geographical segments, major products and revenue from major customers.

32. OTHER INCOME

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Interest Income	48.35	30.75
Dividend Income	3.34	21.27
Net gains (losses) on fair value changes	-	90.11
Other Non-operating Income (net of expenses)		
Rent Income	**193.40**	**187.00**
Sale of Scrap	31.72	31.16
Export Benefit MEIS	126.74	3.40
Duty Drawback Receivable	15.18	13.08
Profit on Sale of Fixed Assets	0.26	-
Foreign Exchange Gain	-	191.56
Interest Income on Statutory Refund - VAT	96.93	32.85
Discount Received / Sundry Balances Written Back	-	9.38
Other Miscellaneous Income	77.87	19.82
Total	**593.81**	**630.39**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

32.1 NET GAINS (LOSSES) ON FAIR VALUE CHANGES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Investments classified at FVTPL - Mutual Fund	-	90.11
Total	**-**	**90.11**

Total Gain on fair value changes include Nil (PY ₹ 90.11 lakhs) as 'Net Gain or Loss on sale of investments'.

33. COST OF MATERIAL CONSUMED (INCLUDING PACKING MATERIAL)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Stock	2,686.90	2,588.99
Add: Purchases	43,064.45	38,617.45
Less: Closing Stock	4,432.11	2,686.90
Cost of Material Consumed	**41,319.24**	**38,519.55**

34. PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Purchase of Trading Goods	1,539.45	390.13
Total	**1,539.45**	**390.13**

35. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK-IN -TRADE

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Stock		
- Finished Goods	1,268.30	1,651.95
- Work-in-Progress	524.41	550.05
	1,792.70	**2,202.00**
Closing Stock		
- Finished Goods	2,459.43	1,275.12
- Work-in-Progress	325.50	524.41
	2,784.93	**1,799.53**
Total Change in Inventories	**(992.22)**	**402.47**

36. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Salaries & Wages	2,334.60	1,986.54
Contribution to Provident & Other Funds	170.80	120.94
Staff Welfare Expenses	434.87	170.99
TOTAL	**2,940.28**	**2,278.47**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

The Disclosures as required by IND AS 19 'Employee benefits'

(a) Defined benefit plans

(i) Leave obligations

The leave obligations cover the Group's liability for sick and earned leave. The amount of the provision of ₹ 96.03 lakhs (PY ₹ 13.37 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post-employment benefits

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognized funds in India. The Group maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(b) Defined contribution plans

Provident Fund

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹ 130.35 lakhs (PY ₹ 109.83 lakhs).

Balance sheet amounts – Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Defined Benefit Obligation at the Beginning of the Year	**229.64**	**175.46**
Current Service Cost	26.46	17.10
Interest Cost	15.66	13.67
Acturial (Gain)/Loss	51.43	25.95
Benefits Paid	(25.18)	(2.54)
Benefit Obligation at the End of the Year	**298.01**	**229.64**

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

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at the Beginning of the Year	**132.01**	**94.01**
Expected Return on Plan Assets	9.00	7.32
Actuarial Gain/(Loss)	(4.52)	(8.34)
Contributions by the Employer	12.33	40.00
Expected Contributions by the Employees	-	-
Benefits Paid	(21.76)	(0.98)
Fair Value of Plan Assets at the End of the Year	**127.07**	**132.01**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

The net liability disclosed above relates to funded and unfunded plans are as follows

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Present Value of Obligation	298.01	229.64
Fair Value of Plan Assets	(127.07)	(132.01)
Deficit of Funded plan	170.94	97.62
Unfunded Plan	-	-
Deficit of gratuity plan	**170.94**	**97.62**

Expenses Recognised in the Statement of Profit or Loss for Current Period

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	26.46	17.10
Net Interest Cost	6.66	6.35
Actuarial (Gains)/Losses		-
Expenses Recognized in the Statement of Profit or Loss	**33.12**	**23.45**

Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gains)/Losses on Obligation For the Period	51.43	25.95
Return on Plan Assets, Excluding Interest Income	4.52	8.34
Actuarial (Gains)/Losses		
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	**55.95**	**34.28**

Actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount Rate (per annum)	6.93%	6.82%
Expected Rate of Return on plan assets (per annum)	6.93%	6.82%
Rate of escalation in Salary (per annum)	5.50%	5.00%
Rate of Employee Turnover	3.00%	2.00%

The major categories of plans assets are as follows:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Gratuity		
Unquoted	-	-
Insurance fund	127.07	132.01
Total	**127.07**	**132.01**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Maturity profile of projected benefit obligation (from fund) :

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
1st following year	53.75	60.77
2nd following year	9.42	4.62
3rd following year	14.15	5.55
4th following year	12.51	18.71
5th following year	42.93	14.97
Sum of year 6 To 10	105.15	73.18

Sensitivity Analysis :

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Projected Benefit Obligation on Current Assumptions	**298.01**	**229.64**
Delta Effect of +1% Change in Rate of Discounting	(23.36)	(16.82)
Delta Effect of -1% Change in Rate of Discounting	27.68	19.94
Delta Effect of +1% Change in Rate of Salary Increase	27.80	20.10
Delta Effect of -1% Change in Rate of Salary Increase	(23.86)	(17.24)
Delta Effect of +1% Change in Rate of Employee Turnover	2.36	2.44
Delta Effect of -1% Change in Rate of Employee Turnover	(2.87)	(2.90)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Group is expected to contribute ₹ 87.67 lakhs to defined benefit plan obligations funds for the year ended March 31, 2022.

Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

The Weighted Average Duration of the Plan works out to 9 years.

Asset Liability matching strategy:

The money contributed by the Group to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Group to fully prefund the liability of the Plan.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

37. FINANCE COSTS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Interest Expense	492.06	224.16
Interest on finance lease obligations	7.74	8.48
Total	**499.80**	**232.64**

Note: Finance costs incurred on various projects being qualifying assets is capitalised in accordance with Ind AS 23.

38. DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	1,800.13	1,168.83
Depreciation on Right of Use Assets	42.27	32.39
Amortisation/Impairment of Goodwill	281.59	375.45
Total	**2,123.99**	**1,576.67**

39. OTHER EXPENSES

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Consumption of Power & Steam	2,271.24	2,083.28
Freight Octroi & Cartage	622.95	526.08
Repair & Maintenance		
- Building	45.00	85.93
- Plant & Machinery	1,528.33	1,217.33
- Others	1.53	10.06
Conversion Charges	297.58	39.95
Insurance Charges	145.15	39.95
Water & Drainage Charges	114.12	111.77
Effluent Treatment Plant	1,103.10	645.34
Boiler Operating Charges	403.11	265.08
Labour Charges	1,165.76	985.99
Loading & Unloading Charges	310.70	294.98
Safety & Security Charges	41.60	43.18
Laboratory Expenses	25.23	23.65
Consultancy Charges	213.81	131.42
Factory Expenses	94.95	102.02
Weighing Charges	3.85	2.85
Auditors Remuneration	11.84	10.79
Printing & Stationery	31.21	31.69
Legal & Professional Fees	151.62	130.42
Travelling & Conveyance	30.51	35.35
Vehicle Expenses	25.25	26.26
Telephone, Courier & Postage Charges	14.95	15.97
Loss on Sale of Assets	-	1.00
Foreign Exchange Loss	47.03	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Rent Expenses	36.99	14.80
Rates & Taxes	49.27	54.96
Other Bank Charges	10.16	6.17
Statutory Liability	2.50	1.98
Listing Fees	176.35	24.97
Membership Fees	0.91	1.63
Advertising Expenses	6.14	11.14
Freight & Forwarding Charges	586.52	556.64
Provision for Doubtful Debt	94.52	15.29
Export Expenses	40.63	19.57
Bank Commission	9.69	18.15
Commission and Incentives on Sales	133.68	113.21
Sundry balances written-off	19.88	0.18
Donation		
- Corporate Social Responsibility	280.38	165.81
- Others	1.66	4.44
Miscellaneous Expenses	8.32	5.84
Total	**10,158.04**	**7,875.10**

39.1 DETAILS OF PAYMENTS TO AUDITORS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Payment to Auditors		
- For Statutory Audit	10.40	9.50
- For Other Services - Certification	1.34	1.09
- For Out of Pocket Expenses	0.10	0.20
Total	**11.84**	**10.79**

40. EARNING PER SHARE (EPS)

(₹ in Lakhs except EPS)

Particulars	March 31, 2021	March 31, 2020
Net Profit available for Equity Shareholders	**11,456.39**	**12,392.73**
No. of Equity Shares as per financial statement	27,153,488	12,149,218
Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	25,643,830	24,298,436
Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	27,964,610	27,964,610
Basic Earnings Per Share (in ₹)	**44.68**	**51.00**
Diluted Earnings Per Share (in ₹)	**40.97**	**44.32**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

40.1 NUMBER OF SHARES FOR COMPUTATION OF EPS

(No of Shares)

Particulars	March 31, 2021	March 31, 2020
Basic EPS (in Nos)		
Existing (Nos)	12,149,218.00	12,149,218.00
Optionally Convertible Preference Shares converted to Equity*	1,427,526.00	-
Total Number of shares after conversion	**13,576,744.00**	**12,149,218.00**
Bonus Issue during the year	13,576,744.00	12,149,218.00
Total Number of shares after Bonus issue	**27,153,488.00**	**24,298,436.00**
Weighted average number of Equity Shares	25,643,830.37	24,298,436.00
Diluted Earnings Per Share (in Nos)		
Existing (Nos)	12,149,218.00	12,149,218.00
Optionally Convertible Preference Shares convert to Equity	1,427,526.00	1,427,526.00
Total Number of Shares	**13,576,744.00**	**13,576,744.00**
OCPS (Pending for Conversion to equity) **	405,561.00	405,561.00
Bonus issue during the year	13,982,305.00	13,982,305.00
Total Number of Shares after Bonus Issue	**27,964,610.00**	**27,964,610.00**

* Holders of 14,27,526 Optionally Convertible Preference Shares opted to convert their holding into equity shares and accordingly were allotted equity shares on 11.10.2020. The Basic EPS for the year ended 31-03-2021 has been accordingly arrived at by dividing the Profit by the weighted average number of equity shares.

** Diluted EPS figures have been calculated after assuming remaining 4,05,561 OCPS being converted into equity shares and eligible to receive Bonus equity shares in the ratio of 1:1.

41. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Contingent Liabilities		
Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	1,065.00	2,657.95
Matters under dispute		
GST	125.97	111.98
Income Tax	121.68	-
ESIC	3.46	-
Total	**1,302.12**	**2,769.93**

42. SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors and management, who are the Chief Operating Decision Makers. The Board of Directors and the management of respective entities are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Chemicals.

Revenue from Type of Product and Services

There is only one operating segment of the Group which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Geographical Information

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Segment Revenue - External Turnover		
Within India (Include Deemed Export)	68,327.88	58,891.23
Outside India (Direct Export)	7,152.89	8,602.12
Total	**75,480.77**	**67,493.35**
Non-Current Assets*		
Within India	56,489.37	42,091.03
Outside India	-	-
Total	**56,489.37**	**42,091.03**

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of its Major customers if Revenue from transactions with single external customer amounts to 10 per cent or more of Company's total Revenue. Group's total Revenue of ₹ 75,480.77 Lakhs (P.Y. ₹ 67,493.35 Lakhs) include sales of ₹ 13,896.04 Lakhs (P.Y. ₹ 11,088.29 Lakhs) to one large customer with whom the Group is having long standing Relationship.

43. INCOME TAX EXPENSE RECOGNISED IN THE STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Current tax		
Current tax on the profit for the year	4,735.19	4,146.00
Adjustments for current tax of prior periods	1.88	14.64
Total current tax expense	**4,737.06**	**4,160.64**
Deferred tax		
Origination and reversal of timing difference	661.92	68.39
Total deferred tax expense/(benefit)	**661.92**	**68.39**
Income tax expense	**5,398.99**	**4,229.03**

Income tax expense recognised in the other comprehensive income

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Assets / (Liabilities)		
Arising on income and expenses recognised in other comprehensive income :		
Net fair value gain on investment in equity shares at FVTOCI	150.22	14.23
Remeasurement of defined benefit obligation	(11.59)	(1.77)
	138.63	**12.46**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	138.63	12.46
Items that may be reclassified to profit or loss	-	-
	138.63	**12.46**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Profit / (Loss) from continuing operations before income tax expense	18,486.01	16,848.71
	18,486.01	**16,848.71**
Tax at the Indian tax rate of 25.168%, (2019-2020 - 25.168%)	4,652.56	4,240.48
Effect of expenses that are not deductible in determining taxable profits	631.29	383.64
Effect of concessions (depreciation under income tax act)	(1,002.29)	(564.45)
Effect of Profit on Subsidiaries included in Standalone Financials	(376.28)	(35.61)
Effect of income taxed separately	(0.99)	(23.50)
Excess tax provision made during the year	830.90	145.44
Effect on deferred tax balances	661.92	68.39
Short/(Excess) Tax Provision in Previous Periods	1.88	14.64
Tax Expense as per Statement of Profit and Loss	**5,398.98**	**4,229.04**

44. LEASE

Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2021.

a. Category of Right of Use Assets

(₹ in Lakhs)

Particulars	Buildings
	March 31, 2021
Balance as at March 31, 2019	88.71
Additions during the year	11.30
Depreciation charge during the year	32.38
Balance as at March 31, 2020	**67.63**
Additions during the year	39.55
Depreciation charge during the year	42.27
Balance as at March 31, 2021	**64.91**

The aggregate depreciation expenses on Right to Use of Assets is included under Deprecation, Amortisation and Impairment Expenses in the Statement of Profit and Loss.

b. The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2021

(₹ in Lakhs)

Particulars	March 31, 2021
Current Lease Liabilities (Note No. 27)	47.75
Non Current Lease Liabilities (Note No. 22)	23.67
Total, Lease Liabilities	**71.42**

c. Following is the movement in Lease Liabilities during the year ended March 31, 2020

(₹ in Lakhs)

Particulars	March 31, 2021
Balance at the beginning of the year	**88.56**
Additions during the year	39.16
Finance cost accrued during the year	7.74
Payment of Lease Liabilities	(64.03)
Balance at the end of the year	**71.42**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

d. The following is a summary of future minimum lease rental commitments towards Finance Leases

(₹ in Lakhs)

Particulars	March 31, 2021	
	Minimum Lease Commitments	Present value of minimum lease commitments
Due within one year	52.53	47.75
Due in a period between one year and five years	25.02	23.67
Total minimum lease commitments	**77.55**	**71.42**
Less : Interest	(6.12)	N.A.
Present value of minimum lease commitments	**71.42**	**N.A.**

45. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24

A 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 the Ind-As 24.

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

B List of other related party relationships as per Ind AS 24

Name of the Related Party	Relationship
Mr. Arvind K. Chheda	Managing Director
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. Sathiababu Krishnan Kallada	Non-Executive Director
Mr. D S Galpalli	Non-Executive Director
Mr. Velji K. Gogri	Independent Director
Mr. Mulesh M. Savla	Independent Director
Mr. Dhirajlal D. Gala	Independent Director
Mrs. Jeenal K. Savla	Independent Director
Mr. Piyush Lakhani	Chief Financial Officer
Mrs. Vyoma Vyas	Company Secretary
Mr. Pankaj S. Shah	Relative of Director
Mr. Siddharth D. Shah	Relative of Director
Mr. Shevantilal Popatlal Shah	Relative of Director
Mr. Nemin M. Savadia	Relative of Director
Abhilasha Tex Chem P. Ltd. Gratuity Trust	Gratuity Trust
Valiant Organics Limited Gratuity Trust	Gratuity Trust
Amarjyot Chemicals P. Limited Gratuity Trust	Gratuity Trust

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for the year ended 31st March, 2021

II. Related Party Transactions

A. Transactions and balances with Related Parties (other than Key Management Personnel)

(₹ in Lakhs)

Description of Transaction	Year	Key Management Personnel and their relatives	Other Related Parties
Sale of Goods	FY 20-21	-	387.83
	FY 19-20	-	375.24
Receipt of Services	FY 20-21	-	166.80
	FY 19-20	-	144.88
Unsecured Loans Taken	FY 20-21	-	-
	FY 19-20	(522.86)	-
Salary to the Close Family Members of KMPs	FY 20-21	34.78	-
	FY 19-20	34.46	-
Contribution to the Gratuity Funds during the year	FY 20-21	-	12.33
	FY 19-20	-	40.00

(₹ in Lakhs)

Outstanding items pertaining to the related parties at the balance sheet date:	Year	Key Management Personnel and their relatives	Other Related Parties
Trade Receivables	March 31, 2021	-	52.20
	March 31, 2020	-	76.23
	April 1, 2019	-	33.10
Trade Payables	March 31, 2021	-	23.81
	March 31, 2020	-	-
	April 1, 2019	-	5.58
Unsecured Loans Taken	March 31, 2021	-	-
	March 31, 2020	-	-
	April 1, 2019	522.86	-
Balances with Key Management Personnel and their Close Family Members	March 31, 2021	104.47	-
	March 31, 2020	101.44	-
	April 1, 2019	169.44	-
Balances with Employee Gratuity Trust	March 31, 2021	-	127.07
	March 31, 2020	-	132.01
	April 1, 2019	-	94.01

B Compensation to Key Managerial Personnel

(₹ in Lakhs)

Particulars	For the Year Ended 31-Mar-2021	For the Year Ended 31st March, 2020
(a) Short-term employee benefits	189.66	221.99
(b) Post Employment Benefits	20.60	-
(c) Director Sitting fees	2.61	1.23
Total	**212.87**	**223.23**

Compensation exclude provision towards gratuity since it is determined actuarially on an annual basis.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

46. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in Lakhs)

Particulars	Current/ Non-Current	As at 31st March, 2021				As at 31st March, 2020				As at 1st April, 2019			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets													
Financial assets measured at amortised cost													
Loans to others	Non-Current	-	N.A	N.A	N.A	-	N.A	N.A	N.A	122.88	N.A	N.A	N.A
Security Deposits	Non-Current	583.45	N.A	N.A	N.A	605.44	N.A	N.A	N.A	268.30	N.A	N.A	N.A
Trade Receivables	Current	15,677.99	N.A	N.A	N.A	13,259.43	N.A	N.A	N.A	14,137.78	N.A	N.A	N.A
Cash on hand	Current	9.06	N.A	N.A	N.A	14.49	N.A	N.A	N.A	17.64	N.A	N.A	N.A
Balance with Banks	Current	1,274.28	N.A	N.A	N.A	751.28	N.A	N.A	N.A	268.36	N.A	N.A	N.A
Other Fixed Deposits	Current	1,815.09	N.A	N.A	N.A	502.19	N.A	N.A	N.A	77.78	N.A	N.A	N.A
Security Deposits	Current	19.95	N.A	N.A	N.A	19.45	N.A	N.A	N.A	7.52	N.A	N.A	N.A
Loans to employees	Current	47.41	N.A	N.A	N.A	44.53	N.A	N.A	N.A	29.71	N.A	N.A	N.A
Interest Receivable	Current	1.58	N.A	N.A	N.A	1.58	N.A	N.A	N.A	1.58	N.A	N.A	N.A
Other Receivables	Current	-	N.A	N.A	N.A	9.00	N.A	N.A	N.A	9.00	N.A	N.A	N.A
		19,428.81	**-**	**-**	**-**	**15,207.39**	**-**	**-**	**-**	**14,940.54**	**-**	**-**	**-**
Financial assets measured at fair value through profit or loss (FVTPL)													
Investment in Mutual Funds (Quoted)	Current	386.04	386.04	-	-	-	-	-	-	909.24	909.24	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)													
Investments in Equity Shares	Non-Current	233.70	199.90	-	33.80	1,810.81	1,810.81	-	-	3,392.23	3,392.23	-	-
Investments in Equity Shares	Current	14.02	14.02	-	-	474.67	474.67	-	-	134.17	134.17	-	-
		247.72	**213.92**	**-**	**33.80**	**2,285.48**	**2,285.48**	**-**	**-**	**3,526.40**	**3,526.40**	**-**	**-**
Total Financial Assets		**20,062.57**	**599.96**	**-**	**33.80**	**17,492.87**	**2,285.48**	**-**	**-**	**19,376.18**	**4,435.64**	**-**	**-**
Financial Liabilities													
Financial liabilities measured at amortised cost													
Long term borrowings - Term Loans from Banks	Non-Current	7,476.53	N.A	N.A	N.A	7,975.31	N.A	N.A	N.A	2,702.21	N.A	N.A	N.A
Unsecured Loans	Non-Current	30.00	N.A	N.A	N.A	377.05	N.A	N.A	N.A	1,723.63	N.A	N.A	N.A
Long-term maturities of lease obligations	Non-Current	23.67	N.A	N.A	N.A	55.28	N.A	N.A	N.A	66.01	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	11,038.24	N.A	N.A	N.A	4,063.56	N.A	N.A	N.A	3,261.27	N.A	N.A	N.A

(₹ in Lakhs)

Particulars	Current/ Non-Current	As at 31st March, 2021				As at 31st March, 2020				As at 1st April, 2019			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Trade Payables													
- Due to Micro, Small and Medium Enterprises	Current		N.A	N.A	N.A		N.A	N.A	N.A		N.A	N.A	N.A
- Due to Others	Current	10,720.62	N.A	N.A	N.A	8,788.70	N.A	N.A	N.A	7,428.36	N.A	N.A	N.A
Creditors for Capital Goods	Current	1,906.00	N.A	N.A	N.A	1,971.99	N.A	N.A	N.A	-	N.A	N.A	N.A
Unclaimed Dividends	Current	3.40	N.A	N.A	N.A	2.87	N.A	N.A	N.A	0.60	N.A	N.A	N.A
Redeemable Preference Shares	Current	38.40	N.A	N.A	N.A	38.40	N.A	N.A	N.A	38.40	N.A	N.A	N.A
Current Maturity of Long Term Debt	Current	2,258.38	N.A	N.A	N.A	1,339.60	N.A	N.A	N.A	571.60	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	47.75	N.A	N.A	N.A	33.28	N.A	N.A	N.A	25.72	N.A	N.A	N.A
Other Current Liabilities	Current	378.16	N.A	N.A	N.A	207.46	N.A	N.A	N.A	-	N.A	N.A	N.A
Total Financial Liabilities		**33,921.14**	-	-	-	**24,853.51**	-	-	-	**15,817.81**	-	-	-

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

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for the year ended 31st March, 2021

47. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as forward contracts, option contracts and cross currency swaps to hedge foreign currency risk and interest rate risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

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

47.1 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprise three types of risks: foreign currency risk, interest rate risk and liquidity risk. Financial instruments affected by foreign currency and market risk primarily include trade receivables, trade payables and cash and cash equivalents.

47.1.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management study by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is done assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Non-Current Borrowings (including current maturities of long-term debts)	9,836.33	9,780.52	5,089.18
Current Borrowings	11,038.24	4,063.56	3,261.27
Total Borrowings	**20,874.56**	**13,844.08**	**8,350.45**
Non-Current Borrowings - Variable Interest Rate (including current maturities of long-term debts)	4,258.45	2,742.05	974.30
Current Borrowings - Variable Interest Rate	5,107.70	2,573.37	1,845.56
Variable Interest Rate Borrowings	**9,366.14**	**5,315.42**	**2,819.86**
Fixed Interest Rate Borrowings	**11,508.42**	**8,528.66**	**5,530.59**
% of Borrowings bearing variable rate of Interest	**44.87%**	**38.39%**	**33.77%**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)

Particulars	2020-21	2019-20	2019-20
50 BPS increase would decrease the Profit before Tax by	46.83	26.58	14.10
50 BPS decrease would (increase) the Profit before Tax by	(46.83)	(26.58)	(14.10)

47.1.2 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts in several currencies and consequently the Group is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The Group has also borrowings in foregin currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

The following table analyses the foreign currency risk from monetary assets and liabilities as at reporting date:

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	Amount in foreign currency - USD	Amount in Rupees-INR	Amount in foreign currency - USD	Amount in Rupees-INR	Amount in foreign currency - USD	Amount in Rupees-INR
Foreign Currency Payable						
Loan Taken - Short term & Long Term	106.95	7,816.67	117.43	8,398.65	19.93	1,409.10
Trade Payable	20.39	1,498.71	11.43	859.53	4.00	276.57
Total Foreign Currency Payables	**127.34**	**9,315.38**	**128.86**	**9,258.18**	**23.93**	**1,685.67**
Foreign Currency Receivable						
Trade Receivable	18.53	1,362.47	13.91	1,046.40	34.91	2,416.80
Cash & Bank Balances	7.74	568.77	6.73	507.59	0.82	57.07
Total Foreign Currency Receivables	**26.27**	**1,931.24**	**20.65**	**1,553.99**	**35.74**	**2,473.87**
Net Foreign Currency Payable / (Receivable)	**101.07**	**7,384.14**	**108.21**	**7,704.19**	**(11.81)**	**(788.20)**
Hedged portion on Loan taken	**19.38**	**1,379.50**	**25.00**	**1,780.00**	**15.00**	**1,068.00**
Unhedged Foreign currency payable /(Receivable)	**81.69**	**6,004.64**	**83.21**	**5,924.19**	**(26.81)**	**(1,856.20)**

Foreign Currency Risk Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, with all other variables held constant relating to unhedged foreign currency exposure. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in the foreign currency rates. The impact on the Group's profit before tax is as follows:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Increase by 100 basis points (100 bps = 1%)	60.05	61.17	(19.71)
Increase by 100 basis points (100 bps = 1%)	(60.05)	(61.17)	19.71

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47.2 CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Group ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks.

The ageing of trade receivable and credit loss allowance is as under:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Not Due	12,736.25	9,286.99	10,808.48
3-6 Months	2,106.73	3,339.87	3,162.20
6 Months and above	1,049.42	752.47	271.70
Total Receivables	**15,892.41**	**13,379.32**	**14,242.38**
Allowance for doubtful receivables and credit losses	(214.41)	(119.89)	(104.60)
Net Receivables	**15,677.99**	**13,259.43**	**14,137.78**
Expected loss rate	1.35%	0.90%	0.73%

Movement in provisions of doubtful debts

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Balance at the beginning of the year	**119.89**	**104.60**	**104.60**
Allowance made during the year	94.52	15.29	-
Reversal of allowance during the year	-	-	-
Balance at the end of the year	**214.41**	**119.89**	**104.60**

As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. As per Policy receivables are classified into different buckets based on the overdue period ranging from more than 180 days to more than 3 years. There are different provisioning norms for each bucket which are ranging from 1% to 100%.

47.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

i Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Secured borrowing facilities	**24,130.40**	**19,130.40**	**12,760.40**
- Amount used	15,737.08	14,202.75	9,474.94
- Amount unused	8,393.32	4,927.65	3,285.46
Total	**24,130.40**	**19,130.40**	**12,760.40**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

ii Maturity patterns of Borrowings

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020		April 1, 2019	
	0- 1 Year	1-5 Year	0- 1 Year	1-5 Year	0- 1 Year	1-5 Year
Non- Current borrowings	2,258.38	7,577.95	1,339.60	8,440.92	571.60	4,517.58
(Including current maturity of long term debt)	-	-	-	-		
Current borrowings	11,038.24	-	4,063.56	-	3,261.27	-
Total Financial Assets	**13,296.61**	**7,577.95**	**5,403.17**	**8,440.92**	**3,832.87**	**4,517.58**

48. CAPITAL MANAGEMENT

Risk management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Group. The Group manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt outstanding liabilities towards Borrowings, obligations towards lease less cash and cash equivalents.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	April 1, 2019
Borrowings - Current and Non-Current	20,803.14	13,755.53	8,258.71
Long-term maturities of Lease obligations	23.67	55.28	66.01
Current maturities of Lease obligations	47.75	33.28	25.72
Less: cash and cash equivalent	(1,283.34)	(765.77)	(286.00)
Net Debts	**19,591.23**	**13,078.31**	**8,064.45**
Equity	50,857.23	40,069.24	30,139.17
% Net debt to equity ratio	**0.39**	**0.33**	**0.27**

49. TRANSITION TO IND AS

These are the first Consolidated Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 3 have been applied in preparing the Financial Statements for the year ended March 31, 2021, the comparative information presented in these Financial Statements for the year ended March 31, 2020 and in the preparation of an opening Ind AS Balance Sheet as at April 01, 2019 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the consolidated financial position, financial performance and cash flows of the Company is set out in the following tables and notes:

A. Ind AS optional exemptions

Deemed cost for property, plant and equipment and intangible assets:

The Group has elected to continue with the carrying value of all of its plant and equipment, capital work-in- progress and intangible assets recognised as of 1st April, 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease:

The Group has applied Ind AS 19 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing on that date.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity instruments.

Past business combinations:

Ind AS 103 (Business Combinations) has not been applied retrospectively to business combinations that occurred prior to 1st April, 2019. Use of this exemption means that in the opening Balance Sheet, goodwill/capital reserve and other assets and liabilities acquired in previous business combinations remain at the previous GAAP carrying values.

Ind AS Mandatory Exceptions

Classification and measurement of financial assets:

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Derecognition of financial assets and liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2019 (the transition date).

Estimates

Estimates in accordance with Ind AS at the transition date shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous IGAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI; and
- Impairment of financial assets based on expected credit loss model.

B. Reconciliations between previous IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous IGAAP to Ind AS.

(a) Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2020 and as at April 1, 2019 is as under:

(₹ in Lakhs)

Particulars	March 31, 2020			April 1, 2019		
	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	27,285.99	-	27,285.99	14,309.55	-	14,309.55
(b) Right Of Use Assets	-	67.63	67.63	-	88.71	88.71
(c) Capital Work-in-Progress	12,912.18	-	12,912.18	6,556.06	-	6,556.06
(d) Goodwill	281.59	-	281.59	657.04	-	657.04
(e) Other Intangible Assets	2.79	-	2.79	2.85	-	2.85
(f) Financial Assets						
(i) Investments	73.22	1,737.58	1,810.81	180.79	3,211.44	3,392.23
(ii) Loans	635.34	(29.90)	605.44	407.04	(15.86)	391.18
(g) Other Non-current Assets	1,540.84	-	1,540.85	855.21	-	855.21
Total Non-Current Assets	**42,731.96**	**1,775.31**	**44,507.27**	**22,968.54**	**3,284.29**	**26,252.83**

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for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	March 31, 2020			April 1, 2019		
	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS
Current assets						
(a) Inventories	4,486.43	-	4,486.43	4,790.99	-	4,790.99
(b) Financial Assets						
(i) Investments	421.93	52.73	474.67	1,046.84	(3.43)	1,043.41
(ii) Trade Receivables	13,259.43	-	13,259.43	14,137.77	-	14,137.78
(iii) Cash and Cash Equivalents	765.77	-	765.77	286.00	-	286.00
(iv) Bank Balances Other than Cash & Cash Equivalents	502.19	-	502.19	77.78	-	77.78
(v) Loans	54.61	19.95	74.55	40.29	7.52	47.81
(c) Other Current Assets	2,424.21	-	2,424.22	1,467.11	-	1,467.12
(d) Current Tax Assets (Net)	415.87	-	415.87	4.91	-	4.91
Total Current Assets	**22,330.44**	**72.68**	**22,403.13**	**21,851.70**	**4.09**	**21,855.79**
TOTAL ASSETS	**65,062.40**	**1,847.99**	**66,910.40**	**44,820.24**	**3,288.38**	**48,108.63**
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity Share Capital	1,253.32	(38.40)	1,214.92	586.44	-	586.44
(b) Optionally Convertible Preference Shares	183.31	-	183.31	-	-	-
(c) Share Capital Pending Allotment	-	-	-	850.20	(38.40)	811.80
(d) Other Equity	35,716.42	1,641.91	37,358.33	24,500.32	3,077.94	27,578.26
(e) Non Controlling Interest	1,312.68	-	1,312.68	1,162.68	-	1,162.68
Total Equity	**38,465.73**	**1,603.51**	**40,069.24**	**27,099.64**	**3,039.54**	**30,139.17**
LIABILITIES						
Non-Current Liabilities						
(a) Financial Liabilities						
- Borrowings	8,383.96	23.67	8,407.64	4,425.84	66.01	4,491.86
(b) Provisions	24.11	-	24.11	99.56	-	99.56
(c) Deferred Tax Liabilities (net)	1,352.66	139.28	1,491.94	1,286.44	124.65	1,411.09
Total Non-current Liabilities	**9,760.73**	**162.95**	**9,923.68**	**5,811.84**	**190.66**	**6,002.51**
Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	4,063.56	-	4,063.56	3,261.27	-	3,261.27
(ii) Trade Payables	8,788.70	-	8,788.70	7,428.36	-	7,428.36
(iii) Other Financial Liabilities	3,512.08	81.54	3,593.61	729.82	58.18	788.00
(b) Other Current Liabilities	122.36	-	122.36	87.09	-	87.09
(c) Provisions	349.25	-	349.25	242.93	-	242.93
(d) Current Tax Liabilities (Net)	-	-	-	159.31	-	159.31
Total Current Liabilities	**16,835.95**	**81.54**	**16,917.48**	**11,908.78**	**58.18**	**11,966.95**
TOTAL EQUITY AND LIABILITIES	**65,062.40**	**1,847.98**	**66,910.40**	**44,820.24**	**3,288.38**	**48,108.62**

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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(b) Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the period ended March 31, 2020:

(₹ in Lakhs)

Particulars	Regrouped I-GAAP*	Adjustment on transition to Ind AS	Ind AS
Income			
Revenue from operations	67,493.35	-	67,493.35
Other Income	2,137.57	(1,507.18)	630.39
Total Revenue (I + II)	**69,630.92**	**(1,507.18)**	**68,123.74**
Expenses			
Cost of materials consumed	38,519.55	-	38,519.55
Purchase of stock-in-trade	390.13	-	390.13
Changes in inventories of finished goods, work-in-progress and stock in trade	402.47	-	402.47
Employee benefit expenses	2,313.41	(34.94)	2,278.47
Finance Costs	224.16	8.48	232.64
Depreciation, Amortization and Impairment Expenses	1,544.28	32.39	1,576.67
Other Expenses	7,956.77	(81.68)	7,875.10
Total Expenses	**51,350.77**	**(75.75)**	**51,275.03**
Profit Before Tax (III - IV)	**18,280.15**	**(1,431.43)**	**16,848.71**
Tax Expense:			
Current Tax	4,146.00	-	4,146.00
Short/(Excess) Provision of earlier year	14.64	-	14.64
Deferred Tax Charge	66.22	2.17	68.39
Total Tax Expense	**4,226.86**	**2.17**	**4,229.03**
Profit for the year (V - VI)	**14,053.29**	**(1,433.60)**	**12,619.68**
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss in subsequent year			
Re-measurement of the net defined benefit plan	-	(34.28)	(34.28)
Fair value changes of various financial instruments	-	70.45	70.45
(ii) Income tax relating to items that will not be reclassified to profit & loss			
Deferred Tax on re-measurement of the net defined benefit plan	-	1.77	1.77
Current tax on various financial instruments	-		-
Deferred tax on fair value changes of various financial Instruments	-	(14.23)	(14.23)
Total, Other Comprehensive Income	**-**	**23.71**	**23.71**
Total, Comprehensive Income for the year	**14,053.29**	**(1,409.89)**	**12,643.38**

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(c) Statement of reconciliation of total equity (consolidated) as at March 31, 2020 and April 1, 2019 is as under:

(₹ in Lakhs)

Particulars	March 31, 2020	April 1, 2019
Equity as per I-GAAP	**38,465.73**	**27,099.64**
Adjustments:		
Fair valuation of investments	1,745.61	3,208.01
Tax effects of adjustments	(102.04)	(124.65)
Imapct of lease assets	(1.66)	(5.43)
Redeemable Preference Shares	(38.40)	(38.40)
Equity as per Ind AS	**40,069.24**	**30,139.17**

(d) Statement of reconciliation of total comprehensive income (consolidated) for the period ended March 31, 2020 is as under:

(₹ in Lakhs)

Particulars	March 31, 2020
Net profit after tax as per I-GAAP	**14,053.29**
Adjustments:	
Net impact on account of leases	(1.70)
Acturial gain / (loss) on Defined benefit plan	34.28
Fair valuation of investments	(1,464.21)
Tax effects of adjustments	(1.99)
Net Profit as per Ind-As	**12,619.67**
Other Comprehensive Income (OCI) (Net of Taxes)	**23.71**

(e) Notes on Reconciliation

(i) Fair valuation of investments

Under the previous IGAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVTOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2020.

(ii) Right of Use (ROU) Assets, Security Deposits and Other Income

Under IGAAP, interest free deposits were recognised at cost i.e. the amount actually paid. Under Ind AS, such deposits are recognised at fair value on initial recognition and at amortised costs on subsequent measurement. Accordingly, non-interest bearing security deposit paid towards ROU asset is measured at the present value and the remaining amount to be amortised over the life of the ROU Asset is capitalised as a part of Property, Plant & Equipment. Notional Interest on such security deposits is accrued on a yearly basis at the effective internal rate of return.

Depreciation has been created on Right of Use assets on the basis of lease terms. Accordingly, depreciation of ₹ 32.38 lakhs (April 1, 2019 - ₹ Nil lakhs) have been charged against right of use assets with a corresponding adjustment to retained earnings.

(iii) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2020 increased by ₹ 32.51 lakhs. There is no impact on the total equity as at March 31, 2020.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(iv) Deferred Tax Liabilities (Net)

IGAAP requires deferred tax accounting using the income statement approach, which is difference between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which is calculated on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences. Deferred Tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or other comprehensive income on the date of transition.

(v) Retained Earnings

Retained earnings as at April 01, 2019 have been adjusted consequent to the above Ind AS transition adjustments.

(vi) Other Comprehensive Income

Under Ind AS, all items of income and expenses recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' which includes remeasurement of defined benefit plans and fair value gain/(loss) on FVTOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

50. DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT, SUBSIDIARY AND JOINT VENTURE COMPANIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(₹ in Lakhs)

Particulars	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
Holding Company								
Valiant Organics Limited	96.13%	50,229.87	68.96%	11,459.17	100.00%	694.33	70.21%	12,153.51
Indian Subsidiaries								
1. Dhanvallabh Venture LLP*	0.00%	0.50	12.65%	2,102.16	0.00%	-	12.14%	2,102.16
2. Bharat Chemicals (Through Dhanvallabh Ventures LLP as partner)*	3.83%	2,000.00	18.40%	3,058.03	0.00%	-	17.67%	3,058.03
3. Valiant Speciality Chemical Limited	0.04%	22.81	-0.02%	(2.78)	0.00%	-	-0.02%	(2.78)
Total [A]		**52,253.18**		**16,616.58**		**694.33**		**17,310.91**
(a) Adjustments arising out of consolidation		(1,395.96)		(1,898.93)		-		(1,898.93)
(b) Non-controlling Interest		-		(1,630.63)		-		(1,630.63)
Total [B]		**(1,395.96)**		**(3,529.56)**		**-**		**(3,529.56)**
Consolidated [A + B]		**50,857.22**		**13,087.02**		**694.33**		**13,781.35**

Notes:

1. 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.
2. Profit attributable to minority interest is reflected in current account of partners as subsidiary entities are partnership firms.
3. Holding Company being partner, its share of profits in subsidiary entities is reflected in its standalone financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

51. RECENT PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs (""MCA"") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

52. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

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 : 25th May, 2021

For Valiant Organics Limited

Mr. Arvind Chheda
(Managing Director)
DIN: 00299741

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

Mr. Piyush Lakhani
(Chief Financial Officer)

Vyoma Vyas
(Company Secretary)
ICSI M. No. - A45555

Valiant Organics
Limited

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 Sixteenth Annual General Meeting of the Members of **VALIANT ORGANICS LIMITED** will be held on Wednesday, September 29, 2021 at 11.30 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following Business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2021 together with the Reports of the Auditors and the Board of Directors' thereon.

2) To appoint a Director in place of Shri Bijal Dilipchandra Modi (DIN: 00616848), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

3) To appoint a Director in place of Shri Dineshkumar Sevantilal Shah (DIN: 00345641), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4) **To re-appoint Shri Mulesh Manilal Savla as an Independent Director**.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder and Regulation 16(b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), and in accordance with the recommendation of Nomination and Remuneration Committee, Shri Mulesh Manilal Savla (DIN No: 07474847), Independent Director of the Company, who shall be completing his first term of three years on April 19, 2022 as an Independent Director of the Company, be and is hereby re-appointed as such to hold office for a period of 3 (three) years effective from April 20, 2022."

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

5) **To appoint Shri Sathiababu Krishnan Kallada as Non-Executive Director.**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under, Shri Sathiababu Krishnan Kallada (DIN 02107652), who was appointed as an Additional Director of the Company effective from November 23, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of Companies Act ,2013, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

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

6) **To appoint Dr. Kiritkumar Haribhai Desai as Non-Executive Director.**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under, Dr. Kiritkumar Haribhai Desai (DIN 08610595), who was appointed as an Additional Director of the Company by the Board of Directors effective from August 14, 2021 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of Companies Act ,2013, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

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

7) **To approve variation in terms of remuneration of Executive Directors**.

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 approval of the Company be and is hereby given to the revised terms of Gross Remuneration payable to Executive Directors with effect from April 01, 2021 for the remainder of their tenure as under:"

NAME	Designation	Revised Gross Remuneration (₹ in lakhs p.a.)
Shri Arvind Chheda	Managing Director	29.70
Shri Mahek Chheda	Executive Director	19.80
Shri Bijal Modi	Executive Director	27.50
Shri Dinesh Shah	Executive Director	13.38
Shri Mahesh Savadia	Executive Director	14.73
Shri Vishnu Sawant	Executive Director	20.40

"**RESOLVED FURTHER THAT** the revised remuneration is subject to the ceiling limits for the managerial remuneration prescribed under the Companies Act, 2013 read with Schedule V thereto as amended from time to time."

"**RESOLVED FURTHER THAT** the said Gross Remuneration includes Components such as Bonus, House Rent Allowance, Dearness Allowance and any other perquisites as per the rules of the Company except the change as stated hereinabove, other terms & conditions of their respective appointments shall remain unchanged."

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

8) **To ratify remuneration of Cost Auditor for FY 2021– 22.**

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 175,000/- (Rupees One lakh seventy five thousand only) plus Tax as applicable and reimbursement of out of pocket expenses incurred in connection with Cost Audit as approved by the Board of Directors based on the recommendations of Audit Committee of the Company, to be paid to Ms. Ketki D. Visariya, Cost Accountant (Membership Number 16028), for the conduct of the Audit of the cost accounting records of the Company, for the financial year 2021-22, be and is hereby approved, ratified and confirmed."

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

By order of the Board

Vyoma Vyas
Company Secretary
ICSI. M. No. A45555

Place: Mumbai
Date: August 14, 2021

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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the EGM/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 EGM/AGM through VC/OAVM will be made available for 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 EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning 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 the Circulars issued by the Ministry of Corporate Affairs 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 EGM/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 EGM/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 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 and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. EGM/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 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 26, 2021 at 9:00 A.M. and ends on Tuesday, September 28, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2021.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at 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***

1. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user 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 etc.

   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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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.
2. In case of any queries, 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 1020 990 and 1800 22 44 30 or can contact Further, please find below details of NSDL officials for queries.

   Mr.Amit Vishal, Senior Manager, NSDL,022-2499 4360 or email at amit@nsdl.co.in

   Ms Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at pallavi@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). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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 EGM/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 EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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 EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.

2. Members are encouraged to join the Meeting through 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/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investor@valiantorganics.com). The same will be replied by the Company suitably.

6. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their requests from their registered email ID mentioning their name, demat account number/folio number, PAN , mobile number at investor@valiantorganics.com at least 5 days before the date of AGM .Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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/OVAM in shareholder/members login where the EVEN of the Company will be displayed, Members will be able to view AGM VC/OVAM proceedings along with the chat box. The questions raised by the Members will be replied by the Company suitably.

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

ITEM NO. 4

Shri Mulesh Manilal Savla, Independent Director of the Company, is a Chartered Accountant with overall experience of more than 30 years in the field of taxation, accounts and Finance, structuring, restructuring of entities. He is a practicing Chartered Accountant and a partner in Shah & Savla LLP, Chartered Accountants. He has been an independent Director of the Company since April 20, 2019. Resume of Shri Mulesh Manilal Savla is given under the head brief resume of Directors seeking Appointment/Re–appointment.

Shri Mulesh Manilal Savla, has 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 started on April 20, 2019 and he, being eligible, and recommended by the Nomination and Remuneration Committee and the Board of Directors, his re-appointment is sought to be approved as Independent Director, not to liable to retire by rotation, for the second term of three years effective from April 20, 2022. His reappointment as an 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 him, a declaration to the effect that he meets criteria of independence as provided in section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration 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 fulfills the relevant conditions specified in the said Act and the Rules made thereunder and is independent of the management.

Copy of the letter for re-appointment proposed to be issued to Shri Mulesh Manilal Savla as an Independent Director setting out the terms and conditions thereof is available for inspection without any fee by the members at the Registered Office of the Company 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.

As per Section 149(10) of the Companies Act, 2013 read with Schedule IV, an Independent Director shall be eligible for re-appointment with approval of shareholders by passing a special resolution.

Your Directors thus recommend the resolution for your approval as a Special resolution.

Shri Mulesh Manilal Savla is interested in the said resolution pertaining to his re-appointment. His relatives may be deemed to be concerned or interested in the resolution to the extent of shares held by them in the Company. None of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 5

Shri Sathiababu Krishnan Kallada (DIN 02107652) was appointed as an Additional Director of the Company by the Board of Directors with effect from November 23, 2020. In terms of Section 161(1) of the Companies Act, 2013, Shri Sathiababu Krishnan Kallada holds office as such upto the date of ensuing Annual General Meeting.

Resume of Shri Sathiababu Krishnan Kallada is given under the head brief resume of Directors seeking Appointment/Re-appointment. His appointment as Director would be of immense help to the Company and proposed based on recommendation of the Nomination and Remuneration Committee.

Your Directors recommend the resolution for your approval as an Ordinary resolution.

Except Shri Sathiababu Krishnan Kallada, none of the Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. His relatives may be deemed to be interested in the resolution to the extent of shares held by them in the Company.

ITEM NO. 6

Dr. Kiritkumar Haribhai Desai (DIN 08610595) was appointed as an Additional Director of the Company by the Board of Directors effective from August 14, 2021. In terms of Section 161(1) of the Companies Act, 2013, Dr Kiritkumar Haribhai Desai holds office as such upto the date of ensuing Annual General Meeting.

Resume of Dr Kiritkumar Haribhai Desai is given under the head brief resume of Directors seeking Appointment/Re-appointment. His appointment as Director would be of immense

help to the Company and proposed based on recommendation of the Nomination and Remuneration Committee.

Your Directors recommend the resolution for your approval as an Ordinary resolution.

Except Dr. Kirit Desai, none of the Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. His relatives may be deemed to be concerned or interested in the resolution to the extent of shares held by them in the Company.

ITEM NO. 7

Based upon the Performance of the Company and the performance of the Executive Directors, the Nomination & Remuneration Committee and the Board of Directors approved the revised gross remuneration payable to the Executive Directors with effect from April 1, 2021 for the remainder of their tenure as such as set out in the resolution at Item No. 7 of the accompanying Notice subject to approval of the shareholders.

Revised Gross remuneration shall include components like Basic HRA, Bonus, Dearness Allowance, Conveyance and other perquisites in accordance with the rules of the Company from time to time. All other terms and conditions of the appointment of Shri Arvind Chheda, Shri Bijal Modi, Shri Mahek Chheda, Shri Dinesh Shah, Shri Mahesh Savadia, and Shri Vishnu Sawant shall remain the same.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

Shri Arvind Chheda, Shri Bijal Modi, Shri Mahek Chheda, Shri Dinesh Shah, Shri Mahesh Savadia, and Shri Vishnu Sawant are interested in the said resolution pertaining to their remuneration. None of the other Directors of the Company, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 8

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 2021- 2022 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 May 25, 2021 on the remuneration of ₹ 175000/- per annum and tax as applicable. Certificate dated May 25, 2021 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.

By order of the Board

Sd/-
Vyoma Vyas
Company Secretary
ICSI. M. No. A45555

Place: Mumbai
Date: August 14, 2021

Brief resume of Directors seeking appointment/ Re-appointment are as under:

Particulars	Shri. Bijal Dilipchandra Modi (DIN:00616848)	Shri. Dineshkumar Sevantilal Shah (DIN :00345641)
Date of birth and age	13-01-1965 , 56 years	30-10-1952, 69 years
Appointed on	20-04-2019	20-04-2019
Qualifications	He is a Chemical Engineer	B. Sc.
Experience and expertise in specific functional areas	He is a Chemical Engineer from Mumbai University. He is managing Jhagadia plant since inception. His vast experience includes projects, operations, process development and local and international marketing in chemical industry.	He has a vast experience of 40 years in manufacturing of Dyestuff and their intermediates. Also he has an experience of sales and marketing in export as well as domestic market.
Disclosure of Relationships between Director Inter-se	None	None
Name(s) of other listed entities in which the person holds the directorship and the membership of Committees of the Board	None	None
No. of shares held in the Company	6,02,523	1,15,544

Particulars	Shri. Mulesh Manilal Savla (DIN:07474847)	Shri. SathiaBabu Krishnan Kallada (DIN: 02107652)
Date of birth and age	12/11/1964, 57 years	11/02/1962, 59 years
Appointed on	April 20, 2019	November 23, 2020
Qualifications	Chartered Accountant	B. Sc.
Experience and expertise in specific functional areas	He is a practicing Chartered Accountant and a Partner in Shah & Savla LLP, Chartered Accountant. He has vast experience of more than 30 years in Taxation, Accounts and Finance, structuring-restructuring of entities.	He is Senior Vice President in Aarti Industries Limited. Looking after projects. He is working in Aarti Industries since 1986. His rich and varied knowledge of Chemical Field shall be beneficial for the Company.
Disclosure of Relationships between Director Inter-se	None	None
Name(s) of other listed entities in which the person holds the directorship and the membership of Committees of the Board	Aarti Surfactants Limited Membership in 1) Audit Committee 2) Nomination and Remuneration Committee 3) Stakeholder Relationship Committee 4) Risk Management Committee of Aarti Surfactants Limited	None
No. of shares held in the Company	2000	1600

Particulars	Dr. Kiritkumar Haribhai Desai (DIN: 08610595)
Date of birth and age	13/09/1960, 61 years.
Appointed on	August 14, 2021
Qualifications	M.Sc. , Ph. D in Chemistry
Experience and expertise in specific functional areas	Sr. Vice President at Aarti Industries Limited, heading Product development and Quality. He has in-depth experiences setting up and growing the R&D as well as quality control function for more than thirty two years in chemical and pharma Industries. He is associated with Aarti Industries Limited for more than three decades. Developed more than 200 products during this journey. He thrives on opportunities that provide him a platform for problem solving to help the business achieve its future goals. He is both intuitive and analytical in considering issues and has a fair appetite for taking risks when planning and driving decisions. He also relies on the vast experience and familiarity he has with Aarti's operations, the Company's future direction and the industry in general. These results in the past 20 years' expansion of manufacturing operation at Aarti Industries Ltd. at various locations and capacity enhancements. His strength and expertise involves grooming the people and meeting organizational expectations all these years.
Disclosure of Relationships between Director Inter-se	None
Name(s) of other listed entities in which the person holds the directorship and the membership of Committees of the Board	None
No. of shares held in the Company	600

NOTES

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Valiant Organics
Limited

Stock Ticker - BSE: 540145
CIN: L24230MH2005PLC151348

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