



VIKAS ECOTECH LIMITED

(Formerly Vikas GlobalOne Limited)

CIN: L65999DL1984PLC019465 Website: www.vikasecotech.com

Regd. Office: 34/1, Vikas Apartments, East Punjabi Bagh, New Delhi-110026

Phone: 011-43144444, Email Id: investors@vikasecotech.com

NOTICE

Notice is hereby given that the 33rd ANNUAL GENERAL MEETING of the Shareholders of Vikas EcoTech Limited (Formerly Vikas GlobalOne Limited) (CIN L65999DL1984019465) will be held on Friday, 28th September, 2018 at Haryana Maitri Bhawan Pitampura, New Delhi-110034 at 11.30 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared as per Indian Accounting Standards (Ind-AS) for the financial year ended March 31, 2018 including the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To declare final dividend on Equity Shares @ 5% i.e. Rs. 0.05/- (Five Paisa) per share for the Financial Year ended 31st March, 2018.
3. To appoint a Director in place of Shri. Vikas Garg (DIN:00255413), Director, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To ratify and confirm remuneration of Cost Auditor as determined by the Board of Directors and in this regard 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 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Board of Directors of the Company for payment of remuneration of Rs. 1,20,000/- (Rupees One Lac Twenty Thousand only) plus Goods and service tax as applicable and reimbursement of out of pocket expenses for the Financial year ending 31.03.2019, to M/s. JSN & Co., Cost Accountants, for conducting cost audit of ‘all applicable products and group of products; be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to file necessary forms & to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution.”

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

“RESOLVED THAT Shri. Madan Mohan Mandal who was appointed by the Board of Directors as an additional Director of the Company with effect from 14th May, 2018 under section 161(1) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act, signifying her intention to propose the candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for Five Consecutive years from immediate effect.

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to file necessary forms & to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution.”

**By order of the Board
For Vikas EcoTech Limited**

**Place: New Delhi
Date: 19.07.2018**

**(Vikas Garg)
Managing Director
DIN 00255413
10/4, East Punjabi Bagh,
New Delhi-110026.**

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

In connection with the proposed appointment of Mr. Madan Mohan Mandal as Independent Director not liable to retire by rotation, the Board of Directors have reviewed the declarations made by Mr. Madan Mohan Mandal confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that Mr. Madan Mohan Mandal fulfils the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company.

5. Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.
6. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2018, may send their queries at least seven days before the Annual General Meeting to the Compliance Officer & Company Secretary at the Registered Office of the Company or by e-mail to cs@vikasecotech.com
7. Equity Dividend for the Financial Year ended March 31, 2011, which remains unpaid and unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in October 2018. Members who have not en-cashed their dividend warrants for Final Dividend issued by the Company for the financial year ended March 31, 2011 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agents. Members may further note that, pursuant to Section 124 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all Shares on which Dividend remains unclaimed for 7 (seven) consecutive years or more are liable to be transferred to IEPF-Suspense Account. Members are further advised that in terms of applicable provisions of the Act and IEPF Rules, Unclaimed Dividends and Shares transferred to IEPF can be claimed from the Fund after following process prescribed in the said Rules.
8. Electronic copy of the Annual Report for 2017-18 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participants(s) for communication. For Members who have not registered their e-mail address, physical copies of the Annual Report for 2017-18 is being sent. The Annual Report may also be accessed on the Company's Corporate Website www.vikasecotech.com
6. Members are requested to notify immediately about any change in their address / e-mail address / dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agents, M/s Alankit Assignments Limited at their office at 4E/2, Jhandewalan Extension, New Delhi-110005. Members holding Shares of the Company in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agents of the Company to receive all communications including Annual Report and Notice of Meeting(s) by e-mail, by sending appropriate communication on info@alankit.com

7. The Register of Members and Share Transfer Books shall remain closed from 22nd September 2018 to 28th September 2018 (Both days inclusive) for the purpose of payment of dividend (if declared) and for the 33rd Annual General Meeting of the Company.
8. The Company has appointed Shri. Anil Kumar Popli, a Practicing Company Secretary, Partner, AAA & Associates, Delhi as Scrutinizer to scrutinize the remote e-voting process and through poll at the Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
9. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
10. The dividend on Equity Shares, if declared, at the Annual General Meeting, will be credited/paid between 29th September, 2018 to 28th October, 2018 to those members whose names appear on the Company's Register of Members on September 21st, 2018; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Information and other instructions relating to e-voting are as under:

- A. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- B. The voting period commences on Tuesday, 25th September, 2018 (09.00 a.m.) and ends on Thursday, 27th September, 2018 (05.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2018, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting after 27th September, 2018 (05.00 p.m.). Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- C. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- D. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting and that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- E. The process and manner for remote e-voting are as under:
 - I. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Vikas EcoTech Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to akpoplico@gmail.com, investors@vikasecotech.com, with a copy marked to evoting@nsdl.co.in

II. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip/by separate pin mailer for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
-	-	-

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

F. General Instructions:

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'Download' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- II. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2018.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@vikasecotech.com/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on or contact NSDL at the following toll free no.: 1800-222-990.

- VI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.vikasecotech.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

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

ITEM NO. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, The Company is required to appoint Cost Accountant in practice, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for such auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified by the members.

On the recommendation of the Audit Committee, the Board has considered and approved appointment of M/s. JSN & Co., Cost Accountants for conducting cost audit of 'all applicable products and group of products; at a remuneration of Rs. 1,20,000/- (Rupees One Lac Twenty Thousand Only) plus Goods & service tax as applicable and reimbursement of out of pocket expenses for the Financial year ending 31.03.2019.

The Board recommends ratification of remuneration of Cost Auditors by the members.

None of the Directors or their relatives is/are in anyway concerned or interested in passing of the above mentioned resolution.

ITEM NO. 5

The Board of Directors of the Company has, on the recommendation of Nomination and Remuneration Committee, appointed Shri. Madan Mohan Mandal as Additional Director with effect from 14th May, 2018. Brief profile of Shri. Madan Mohan Mandal is annexed to this Notice. In terms of Section 161(1) of the Companies Act, 2013 Shri. Madan Mohan Mandal holds office as Additional Director only up to the date of the ensuing Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in this resolution.

**By order of the Board
For Vikas EcoTech Limited**

**Place: New Delhi
Date: 19.07.2018**

**(Vikas Garg)
Managing Director
DIN 00255413
10/4, East Punjabi Bagh,
New Delhi-110026.**

PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH THE STOCK EXCHANGES AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED IS FURNISHED BELOW:

Name of Director	No. of Shares held	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/she holds Directorship
Vikas Garg	4,83,43,855	Graduate (Brother of Shri. Vivek Garg)	Rich experience of more than 18 years in line of Polymer compounds and chemicals technology.	MM Auto Industries Limited, Vikas EcoTech Limited, Vikas Multicorp Limited, Ketav Multicorp Limited
Madan Mohan Mandal	NIL	No Relation with Directors	He is having 43 years of experience in Project Engineering/Detailed Engineering Design/Project Execution in Gas Crackers and Polymer Plants/Refineries etc. He currently works as an Arbitrator in the panels of NTPC and SCOPE. He has served as an Executive Director in Gail India Ltd. and Gail Gas Ltd. He has worked as an Engineering Manager in a South Korean EPC major G S Engineering and Construction, as Project Manager in PL Engineering Pvt. Ltd. (a Punj Lloyd Group), Engineering services department in IFFCO and PDIL.	NIL

BOARD'S REPORT

The Members,

Vikas EcoTech Limited

Your Directors have pleasure in presenting the 33rd Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31st March, 2018.

1. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- a) The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2018 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- b) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- c) 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 of the company for that period;
- d) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- e) the internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

2. FINANCIAL PERFORMANCE

The standalone financial statements for the financial year ended March 31, 2018, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs. On a consolidated basis, our sales declined to Rs. 367.33 Crores for the current year as against Rs. 387.64 crores in the previous year. Our net profits increased to Rs. 28.60 Crores for the current year as against Rs. 23.19 Crores in the previous year. Key highlights of financial performance of your Company for the financial year 2017-18 are provided below:

(Rs. in Lac)

Particulars	2017-2018	2016-2017
Net Sales /Income from Business Operations	36733.59	38764.57
Other Income	496.13	166.93
Total Income	37229.72	38931.50
Gross Expenditure	31041.13	31999.99
Less Interest	1443.04	1300.17
Profit before Depreciation	4745.55	5631.34
Less Depreciation	383.91	426.67
Profit after depreciation and Interest/Net Profit Before Tax	4361.64	5204.67
Less: Extra-ordinary Item	---	163.11
Less Current Tax	1453.03	1450.00
Less Previous year adjustment of Income Tax	13.29	0.00
Less Deferred Tax	34.72	(196.32)
Mat Credit Availed	0.00	0.00
Net Profit after Tax	2860.60	2319.90
Add Share of Profit from Partnership firm/Minority Interest	0.00	0.00
Profit for the Period	2860.60	2319.90
Less Proposed Dividend	139.95	139.95
Less Provision for Dividend Distribution Tax	29.28	29.28
Net Profit after dividend and Tax	2691.37	2147.80
Earnings per Share (Basic)	1.02	0.91
Earnings per Share (Diluted)	1.02	0.91

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2017-18.

DIVIDEND

Your Directors recommend payment of Equity Dividend of Rs. 0.05 per equity share of Rs. 1/- each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as at the Record Date i.e. 21st September, 2018. The outflow on account of equity dividend and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to Rs. 1,69,23,411/-.

Transfer to Investor Education and Protection Fund Authority

During the period under review, the company has not required to transfer any amount or shares in IEPF authority.

3. STATE OF AFFAIRS OF THE COMPANY

During fiscal 2018, your Company witnessed yet another strong year of performance despite the uncertain macro-environment, reflecting the inherent strength of our business portfolio and continued to perform well in domestic markets while expanding our international reach.

During the year under review:

- The company got Food grade approval for its product TINMATE (Organotin Stabiliser) from FICCI Research and Analysis Centre.
- The company bagged a prestigious order from Petrochemical Giant "MEXICHEM" and tries to expand itself to the Latin American Countries.
- The company commenced trial runs for added capacity of 10,000 MT of speciality chemicals in plant at Rajasthan.
- The Company introduced new range of Eco-friendly Calcium Zinc heat stabilizer for PVC Compounds.

In the fourth quarter of FY18, the Directorate of Revenue Intelligence conducted a detailed survey of the company's international trade operations including import and export consignments. These surveys were carried out at the ports as well as office and factory premises. Almost 70-80 per cent of the company's raw materials are imported while exports constitute nearly 50 per cent of the total revenue. As a result, the company experienced a significant disruption of its day-to-day operations.

The Manufacturing plants of the Company are located in the state of J&K, Rajasthan and Noida SEZ. This has been done keeping in mind the strategic and locational advantages with regard to availability of raw material and potential for finished goods.

FUTURE OUTLOOK

As a move forward and with the help of information technology, your Company is planning to introduce new products in market. The Company is scheduling manufacturing unit for its key raw material 2-EHTG at Gujarat Industrial Development Corporation (A Government of Gujarat undertaking) at Dehej, Gujarat to cater the market of Western and Southern India and also for exports its products like Methylene Mercaptane and Epoxidised Soya Bean Oil.

CORPORATE RESTRUCTURING

During the period under review:-

To unlock the true value of the business and to achieve prosperity in each segment of the business, the company had decided to demerge its business into 2 separate entities: High Value Groups and High Volume Groups. Consequently, Vikas Ecotech would house the High Value Group i.e. the specialty chemicals and compounds business while the resultant company Vikas Multicorp Ltd. would contain the recycled compounds and trading businesses, which traditionally have lower margins but higher revenues.

The final hearing for the above scheme of arrangement at the NCLT is scheduled for September 06, 2018. Once the NCLT approval is granted, shareholders of Vikas Ecotech shall receive additional shares of Vikas Multicorp in the ratio of 1:1 at no extra cost and Vikas Multicorp would be listed as an independent entity.

Management Discussion and Analysis Report

In terms of regulation 34 of the Listing Regulations Management Discussion and Analysis report (“**MD&A Report**”). The MD&A Report, capturing your Company’s performance, industry trends and other material changes with respect to your Companies and its subsidiaries, wherever applicable, are presented in this Annual Report. The MD&A Report provides a consolidated perspective of economic, social and environmental aspects material to your Company’s strategy and its ability to create and sustain value to your Company’s key stakeholders and includes aspects of reporting as required.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

During the period under review the Company does not have any Subsidiary.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has duly constituted a Committee under the nomenclature of Corporate Social Responsibility Committee consisting of majority of non-executive independent Directors. The Committee has developed Corporate Social Responsibility Policy of the Company and is monitoring implementation of the same. The CSR Committee reports to the Board. The said CSR policy of the Company is also posted on the Website of the Company at www.vikasecotech.com

During the year under review, the Company undertook CSR initiative for cause of Education through the “Maharaja Agrasen Technical Education Society (Regd.)” amounting to Rs. 21,00,000 & St. Kabir Educational society Rs. 35,00,000/- were allocated and spent for the said cause of promoting education being one of the areas Company is presently focusing.

The Annual Report on Company’s CSR activities is attached to this report.

4. GOVERNANCE AND ETHICS

Corporate Governance

Your Company believes in adopting best practices of corporate governance. Corporate governance principles are enshrined in the Spirit of VEL, which form the core values of VEL. These guiding principles are also articulated through the Company’s code of conduct, Corporate Governance guidelines, charter of various sub-committees and disclosure policy.

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), applicable provisions of Companies Act, 2013 and applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

As per regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Shri. Anil Kumar Popli, Practising Company Secretaries, on compliance with corporate governance norms under the Listing Regulations, is provided in this Annual Report.

BOARD OF DIRECTORS

Board’s Composition and Independence

Your Company’s Board consists of leaders and visionaries who provide strategic direction and guidance to the organization. As on March 31, 2018, the Board comprised Four Executive Directors and Three Non-Executive Independent Directors.

Definition of ‘Independence’ of Directors is derived from regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received necessary declarations from the Independent Directors stating that they meet the prescribed criteria for independence.

Based on the confirmations/disclosures received from the Directors under Section 149(7) of the Companies Act 2013 and on evaluation of the relationships disclosed.

BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of the Chairman, Managing Director and other Non-Independent Directors along with performance of the Board / Board Committees based on various criteria recommended by Nomination & Remuneration Committee. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of Companies Act, 2013, evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.vikasecotech.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

VIGIL MECHANISM

Your Company has adopted an process as a channel for receiving and redressing complaints from employees and Directors, as per the provisions of Section 177(9) and (10) of the Companies Act, 2013 and regulation 22 of the Listing Regulations. Under this policy, your Company encourages its employees to report any reporting of fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management. Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. Mechanism followed is appropriately communicated within the Company across all levels and has been displayed on the Company's website at <https://www.vikasecotech.com>.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has a policy and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information.

RELATED PARTY TRANSACTIONS

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website <https://www.vikasecotech.com>.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as Annexure I to this Report.

5. INTERNAL FINANCIAL CONTROLS AND AUDIT

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures

for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Statutory Audit

As per Section 139 of the Companies Act, 2013 and based on the recommendations of the Audit Committee and upon review of confirmations of satisfaction of criteria as specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014 and in accordance with the approval accorded by the Members at the 31st Annual General Meeting held on September 30, 2016, M/s KSMC & Associates, Chartered Accountants, New Delhi, having Firm Registration No. 003565N, appointed as Statutory auditor for a period of five years.

There are no qualifications, reservations or adverse remarks made by KSMC & ASSOCIATES, Statutory Auditors, in their report for the financial year ended March 31, 2018. Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Anil Kumar Popli, AAA & Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2018 is enclosed as Annexure IV to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

Cost Audit:

Additionally, in compliance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended, M/s JSN & Co. Cost Accountants, was engaged to carry out Audit of Cost Records of the Company during Financial Year 2017-18. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2017-18 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

6. SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility

Your Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices. Your Company believes in making lasting impact towards creating a just, equitable, humane and sustainable society.

As per the provisions of the Companies Act, 2013, companies having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 Crores or more during the immediately preceding financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board comprising three or more directors, at least one of whom should be an independent director and such company shall spend at least 2% of the average net profits of the company's three immediately preceding financial years towards CSR activities. Accordingly, your Company has spent Rs. 56,00,000 towards CSR activities during the financial year 2017-18. The contents of the CSR policy and CSR Report for the year 2017-18 is attached as Annexure V to this Report. Contents of the CSR policy is also available on the Company's website at <https://www.vikasecotech.com>. The terms of reference of CSR committee, framed in accordance with Section 135 of the Companies Act, 2013.

Particulars Regarding Conservation of Energy and Research and Development and Technology Absorption

Details of steps taken by your Company to conserve energy through its "Sustainability" initiatives, Research and Development and Technology Absorption have been disclosed as part of the MD&A Report.

7. OTHER DISCLOSURES

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

Details of Significant and Material Orders Passed by the regulators/Courts/Tribunals Impacting the Going Concern Status and the Company's Operations in Future

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Your Board currently comprises of 8 Directors including 4 Independent Directors, 4 Executive Director. Independent Directors provide their declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2017-18 your Board met 5 (Five) times details of which are available in Corporate Governance Report annexed to this report.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri. Vikas Garg, Managing Director, is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. Your Board recommends his re-appointment.

The details of Director being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

During the period under review, Mrs. Anjavi pandya has resigned as CFO and Mr. Sumit Garg was appointed as Chief Finance Officer of the Company w.e.f. 11th August, 2017.

During the period under review Mr. Purushottam Dass Bhoot, Mr. Jagdish Capoor, Mr. Pradip Kumar Banerji has resigned from Board and Mr. Kapil Gupta and Mr. Devender Kumar Garg was appointed on Board. Further, on 14.02.2018, Mr. Kapil Gupta has resigned as Independent Director of the Company

After close of the financial year Mr. Madan Mohan Mandal was appointed as Independent Director w.e.f 14.05.2018 and Mr. Amit Dhuria as CFO w.e.f. 30.05.2018.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Vikas Garg, Managing Director, Mr. Vivek Garg, Whole-time Director, Mr. Ashutosh Kumar Verma, Whole-time Director & CEO, Mr. Amit Dhuria, Chief Finance Officer and Mr Siddharth Agrawal Compliance Officer & Company Secretary of the Company continue as Key Managerial Personnel of the Company.

LISTING OF SECURITIES

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION

Energy Conservation measures taken, Steps taken for utilizing alternate source of energy, Capital investment on energy conservation equipment:

The Company has commissioned 300 KW of solar panels at Rajasthan and also installed a centralized power house on a single High Tension line in place of separate connections for individual unit at its manufacturing facility in Rajasthan . Both these measures will improve efficiency and generate cost savings for the company.

The company has commissioned three dry cutting machines. This will help in generation of cost savings and water conservation for the company and the society.

These are specifically designed panels ensuring optimum use of the electricity being consumed at our factories.

The power factor calculations on our electricity consumption calculations show that VEL is nearing perfect results in getting the best output from the electrical energy consumed in the plants.

VEL closely monitors the throughput of all the machines to ensure that every part of the electrical energy consumed is justified with nearly nil wastage of energy.

Proper production planning also contributes positively to avoid wastage of electrical energy & optimum outputs.

Water conservation, Water extraction, storage, desalinization (softening hard water, filtration for further use in process) also involve a considerable consumptions of electrical energy.

VEL plants have the rainwater harvesting systems in place which not only help conserve water but also the electrical energy involved in extraction of the volume of water thus collected.

The Company shall continue its endeavor to improve energy conservation and utilization

TECHNOLOGY ABSORPTION

1) Efforts made in technology absorption & Benefits derived:

Major initiatives are being taken to upgrade the various processes by making use of latest and better techniques. Efforts are being made to make best use of available infrastructure and at the same time importing new technology to bring out efficiency and economy. As a step towards it, the Company has procured highly sophisticated machinery for its newly set up plant at Shahjahanpur, Rajasthan, for commencing production of an additional range of Polymer Additives.

Research & Development (R & D)

- a) **Specific Areas in which R & D carried out by the Company:** During the year, the Company has inclined its efforts in the development of its production efficiency by improving its methods and technology.
- b) **Benefits derived as a result of above R & D:** Increased in market share.
- c) **Future Plan of Action/Expansions Plans:** As the relevant industry is gearing up to cater to the growing demand, Vikas EcoTech Limited, is all set to expand their business in a big way in the coming years. The company is also progressive in installation of additional line to increase the production of Polymer and Polyester Compound at its existing plant located at Shahjahanpur, Alwar, Rajasthan.

With a host of expansion plans, the Company is confident of achieving new heights in the coming years.

2) Imported Technology (imported during last 3 years reckoned from beginning of the financial year)

None.

3) Expenditure incurred on Research and Development (R&D)

The Company has incurred a total expenditure of Rs. 4.32 lacs (including capital and revenue expenses) towards Research and Development.

FOREIGN EXCHANGE, EARNINGS AND OUTGO

During the Financial Year 2017-18 the Company had foreign exchange earnings of Rs. 1,86,30,76,248 and outgo of Rs. 59,49,71,924.

Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2018 in form MGT-9 is enclosed as Annexure VI to this report.

Acknowledgements and Appreciation

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the industry.

For and on behalf of Board For Vikas EcoTech Limited

**Sumer Chand Tayal
(Director)
DIN: 00255661**

**Vikas Garg
(Managing Director)
DIN: 00255413**

**Place: New Delhi
Date: 19.07.2018**

Independent Auditor's Report

To

The Members of VIKAS ECOTECH LIMITED

Report on the financial statements

We have audited the attached Financial Statements of M/s VIKAS ECOTECH LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year then ended and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the financial statements").

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

Except for the possible effects due to anything otherwise stated in accounting policies and notes to financial statements and due to matters stated in emphasis of matters, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018; its profit and cash flows for the year ended on that date.

Emphasis of Matters

Certain balances as on year end such as Closing Stock, Fixed Assets and Cash in Hand are certified by the management and relied upon by us. Balances of Loans and Advances including advance from customers and

advance paid to suppliers (domestic and overseas both), Creditors and Debtors (domestic and overseas both) are subject to confirmation/reconciliation and consequential adjustments, if any.

The Board of Directors of the Company in its meeting held on May 29th, 2017 had approved the 'Scheme of Arrangement' for the Demerger of High Volume 'Recycled Compounds and Trading Division' of Vikas EcoTech Limited (Demerged Undertaking) (having net assets of approx. book value of Rs. 29.57 Crores as on 1st April, 2017) into Vikas Multicorp Limited (Resulting Company). An application was moved before the Hon'ble NCLT principal bench, New Delhi for obtaining necessary orders under Section 230-232 of the Companies Act, 2013, with a view of vesting of demerged undertaking, the appointed date under the Scheme for demerger is 1st April, 2017. As on date, the said application is pending for approval before Hon'ble NCLT and the scheme shall be effective only after the final order of Hon'ble NCLT Principle Bench, Delhi. NCLT has set 1st August, 2018 as the final hearing date for the scheme. In view of this, the financials statements are hereby prepared without considering the effect of scheme of Demerger and treating the said division proposed to be demerged as continuing operations. The financial statements are subject to amendment to give effect to the scheme once the same becomes effective after final order of Hon'ble NCLT.

Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on financial statements / financial information certified by the Management.

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 of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The company is not having any branch office which has been audited under sub-section (8) by a other person and hence clause © of section 143(3) of the Companies Act, 2013 is not applicable.
 - d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as otherwise stated in accounting policies and notes to financial statements.
 - f) We have no observations or comments on financial transactions or matters which have any material adverse effect on the functioning of the Company.
 - g) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - h) We have no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
 - i) With respect to the adequacy of internal financial controls over the financial reporting of the company and operating effectiveness of such control, refer to our separate report in 'Annexure B' ; and
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial position of the company (Refer Note No 32) to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note No 45) to financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KSMC & ASSOCIATES
Chartered Accountants
Firm Regn. No. 003565N

CA SACHIN SINGHAL
Partner
Membership No.: 505732
Place: New Delhi
Date : 31.05.2018

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of VIKAS ECOTECH LIMITED("the Company") for the year ended March 31, 2018. We report that:

S. No.	Particulars	Auditor's Remarks
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	As informed and explained to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However we have not seen and examined any fixed assets register and solely relied upon the management representation given to us in this regard.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner and no material discrepancies were noticed on such physical verification. However we have not seen and examined any physical verification report and relied solely on management representation given to us in this regard.
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	According to information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the Company
(ii)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	In our opinion according to information given to us, the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification. However we have not seen and examined any physical verification report and relied solely on management representation given to us in this regard.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	NA.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	NA
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	The company has not given any loan or guarantee or provided any security during the year. However the company has made investment of Rs. 4,76,98,950/- in the shares of Vikas Surya Buildwell Pvt. Ltd which is within the prescribed limit given under section 186 of the Companies Act 2013.

(v)	<p>in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</p>	<p>According to the information and explanations given to us, the Company has not accepted any deposit within meaning of section 73 to 76 of the Companies Act, 2013 and rules framed there under during the year. Accordingly the provision of clause 3(iv) of the order is not applicable.</p>
(vi)	<p>Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.</p>	<p>As explained to us, the Company has maintained cost records as required as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. However we have not seen and examined any cost records and solely relied upon the management representation given to us in this regard.</p>
(vii)	<p>(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance Fund, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities but delay in deposit of the same has been observed in some of the cases.</p>
	<p>(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</p>	<p>According to the information and explanations given to us, no other undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable. For amounts which are not paid on account of disputes for which appeals are pending, refer Note 35 to Financial Statements for the year ended 31st March 2018.</p>
(viii)	<p>Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).</p>	<p>In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government or dues to debenture holders during the year.</p>
(ix)	<p>Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</p>	<p>During the year, the company has not raised any money by way of public offer or term loans and hence this clause is not applicable.</p>

(x)	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	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.
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	During the year under review the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence this clause is not applicable.
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	The company has not entered into any non-cash transactions with directors or persons connected with him, hence the provisions of section 192 of Companies Act, 2013 are not applicable
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KSMC & ASSOCIATES
Chartered Accountants
Firm Regn. No. 003565N

CA SACHIN SINGHAL
Partner
Membership No.: 505732
Place: New Delhi
Date : 31.05.2018

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ 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 VIKAS ECOTECH LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS’ RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the 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 March 31, 2018, 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 ICAI. However the company needs to improve its process for inventory physical verification, obtaining balances confirmations from suppliers or customers at regular interval etc.

For KSMC & ASSOCIATES
Chartered Accountants
Firm Regn. No. 003565N

CA SACHIN SINGHAL
Partner
Membership No.: 505732
Place: New Delhi
Date: 31.05.2018

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS
(DIVISION II- SCHEDULE III TO THE COMPANIES ACT, 2013)
(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (1) OF SECTION 136 OF THE ACT AND PROVISIO TO RULE 10 OF THE COMPANIES
(ACCOUNTS) RULES, 2014)

PART I

Abridged Balance Sheet as on March 31st, 2018

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS			
Non-current assets			
Property, plant and equipment	28,26,51,531	27,45,88,583	27,90,26,018
Financial assets			
Loans	51,70,651	36,58,657	18,87,674
Investments	4,76,98,950	-	-
Deferred tax assets (net)	1,83,25,025	2,17,97,174	17,14,757
Other non-current assets	13,42,62,626	2,30,25,252	68,00,000
	48,81,08,783	32,30,69,666	28,94,28,449
Current assets			
Inventories	87,61,71,455	56,64,13,825	37,54,55,547
Financial assets			
Trade receivables	2,08,27,14,154	1,51,59,53,160	1,40,63,62,596
Cash and cash equivalents	3,30,84,518	21,75,16,658	28,74,344
Other bank balances	5,55,50,566	4,99,30,283	4,11,99,825
Other financial assets	11,66,108	16,63,335	37,04,967
Assets Held for Sale	3,29,84,656	-	-
Other current assets	41,12,46,555	42,70,93,151	14,38,21,051
	3,49,29,18,012	2,77,85,70,411	1,97,34,18,330
TOTAL ASSETS	3,98,10,26,795	3,10,16,40,077	2,26,28,46,779
EQUITY AND LIABILITIES			
Equity			
Equity share capital	27,98,99,675	27,98,99,675	25,42,39,675
Other equity	1,31,84,63,108	1,04,98,99,424	42,34,98,801
Total equity	1,59,83,62,783	1,32,97,99,099	67,77,38,476
Non-current liabilities			
Financial liabilities			
Borrowings	5,40,71,082	8,02,60,036	9,70,80,604
Provisions	38,12,654	23,19,712	4,89,443
	5,78,83,736	8,25,79,748	9,75,70,047
Current liabilities			
Financial liabilities			
Borrowings	1,33,47,31,635	1,07,34,90,128	81,47,20,370
Trade payables	78,67,71,035	42,52,65,739	44,89,41,277
Other financial liabilities	2,68,53,294	2,81,16,478	9,00,63,616
Provisions	7,23,765	62,300	16,182
Other current liabilities	3,69,66,376	4,33,77,056	1,50,84,276
Current tax liabilities (net)	13,87,34,171	11,89,49,528	11,87,12,535
	2,32,47,80,276	1,68,92,61,230	1,48,75,38,256
Total liabilities	3,98,10,26,795	3,10,16,40,077	2,26,28,46,779

For KSMC & ASSOCIATES
Chartered Accountants (FRN: 003565N)

CA SACHIN SINGHAL
Partner
M. No. 505732

Place: NEW DELHI
Date: 31.05.2018

SIDDHARTH AGRAWAL
COMPANY SECRETARY

VIKAS GARG
MANAGING DIRECTOR
DIN:00255413

ASHUTOSH KUMAR VERMA
CEO & WHOLE-TIME DIRECTOR

For and on behalf of Directors

SUMER CHAND TAYAL
DIRECTOR
DIN: 00255661

AMIT DHURIA
CHIEF FINANCIAL OFFICER

ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31ST, 2018

A) EQUITY SHARE CAPITAL			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised shares			
320,000,000 equity shares of Re. 1 each (260,000,000 equity shares of Re. 1 each as at 1 April 2016)*	32,00,00,000	32,00,00,000	26,00,00,000
Issued, subscribed and fully paid-up shares			
279,899,675 equity shares of Re. 1 each (254,239,675 equity shares of Re. 1 each as at 1 April 2016)**	27,98,99,675	27,98,99,675	25,42,39,675
	27,98,99,675	27,98,99,675	25,42,39,675

* The shareholders' at the EGM/ AGM of the Company held on 23rd November, 2016 approved increase in the authorised share capital of the Company from Rs. 260,000,000 comprising of 260,000,000 equity shares of Re 1 each to Rs. 320,000,000 comprising 320,000,000 equity shares of Re. 1 each.

** During the year ended 31 March 2017, the Company has issued 25,660,000 equity shares of face value of Re. 1 each to its existing shareholders in proportion of their existing shareholding on preferential allotment basis for issue price of Rs. 17 per share. The new shares shall rank pari-passu with the existing equity shares of the Company in all respects.

b) Reconciliation of number of shares outstanding at the beginning and end of year			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Equity shares, issued, subscribed and fully paid-up			
Shares at the beginning of the year	27,98,99,675	25,42,39,675	25,42,39,675
Issued during the year	-	2,56,60,000	-
Shares at the end of the year	27,98,99,675	27,98,99,675	25,42,39,675

B. OTHER EQUITY

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Share premium	41,05,60,000	41,05,60,000	-
General reserve	14,71,20,475	14,71,20,475	14,71,20,475
Retained earnings	76,12,38,737	49,21,02,995	27,54,12,392
Other reserve	9,65,934	9,65,934	9,65,934
Other comprehensive income	(14,22,037)	(8,49,980)	-
	1,31,84,63,108	1,04,98,99,424	42,34,98,801

a) Share premium			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	41,05,60,000	-	-
Additions during the year on account of issue of equity shares	-	41,05,60,000	-
Closing balance	41,05,60,000	41,05,60,000	-

b) General reserve			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	14,71,20,475	14,71,20,475	14,71,20,475
Closing balance	14,71,20,475	14,71,20,475	14,71,20,475

c) Retained earnings			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	49,21,02,995	27,54,12,392	2,00,70,173
Additions during the year	28,60,59,153	23,19,90,493	25,53,42,219
Less: Final dividend on equity shares	(1,39,94,984)	(1,27,11,984)	-
Less: Tax on final dividend on equity shares	(29,28,427)	(25,87,906)	-
Closing balance	76,12,38,737	49,21,02,995	27,54,12,392

d) Other reserves (capital reserve)			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	9,65,934	9,65,934	9,65,934
Additions during the year	-	-	-
Closing balance	9,65,934	9,65,934	9,65,934

e) Dividends		
	As at 31 March 2018	As at 31 March 2017
Cash dividend on equity shares declared and paid		
Final dividend for 31 March 2017: Rs.0.05 per share	1,39,94,984	1,27,11,984
Dividend distribution tax on final dividend	29,28,427	25,87,906
Total cash dividend	1,69,23,411	1,52,99,890
Proposed dividend on equity shares*		
Dividend proposed for 31 March 2018: Rs. 0.05 per share	1,39,94,984	1,39,94,984
Dividend distribution tax on dividend proposed	29,28,427	29,28,427
Total proposed dividend	1,69,23,411	1,69,23,411

* Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2018.

f) Other comprehensive income – Re-measurement of defined benefit plans (net of tax)		
	As at 31 March 2018	As at 31 March 2017
Opening balance	(8,49,980)	-
Actuarial gains/ (losses) on defined benefit plan for the year (net of tax)	(5,72,058)	(8,49,980)
Closing balance	(14,22,037)	(8,49,980)

PART-II
STATEMENT OF PROFIT & LOSS AS AT MARCH 31ST, 2018

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017
Revenue from operations	3,67,33,59,532	3,87,64,57,323
Other income	4,96,12,616	1,66,92,842
Total Revenue	3,72,29,72,148	3,89,31,50,165
Cost of raw material and components consumed	2,05,74,49,604	2,07,58,53,753
Purchase of traded goods	79,22,34,399	76,88,12,060
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	2,30,560	3,02,95,454
Excise duty	6,13,32,379	16,51,80,550
Employee benefits expense	5,69,54,946	5,32,68,896
Depreciation expense	3,83,91,198	4,26,67,371
Finance costs	14,43,04,473	13,00,17,137
Other expenses	13,59,11,180	10,65,89,107
Total expense	3,28,68,08,739	3,37,26,84,328
Profit/(loss) before exceptional items and tax	43,61,63,409	52,04,65,836
Exceptional items	-	16,31,07,918
Profit/(loss) before and tax	43,61,63,409	35,73,57,918
Income tax expense:		
Current tax	14,53,02,755	14,50,00,000
Excess/ Short provision relating earlier year tax	13,29,352	-
Deferred tax	34,72,149	(1,96,32,575)
Income tax expense	15,01,04,256	12,53,67,425
Profit for the year	28,60,59,153	23,19,90,493
Other comprehensive income		
Re-measurement gains (losses) on defined benefit plans	(8,74,813)	(12,99,822)
Income tax effect	3,02,755	4,49,842
Net other comprehensive income (net of tax) not to be reclassified to profit or loss in subsequent periods	(5,72,058)	(8,49,980)
Total Comprehensive income for the year	28,54,87,095	23,11,40,513
Earnings per share		
Basic and Diluted earnings per share	32	1.02
		0.91

For KSMC & ASSOCIATES
Chartered Accountants (FRN: 003565N)

CA SACHIN SINGHAL
Partner
M. No. 505732

SIDDHARTH AGRAWAL
COMPANY SECRETARY

VIKAS GARG
MANAGING DIRECTOR
DIN:00255413

ASHUTOSH KUMAR VERMA
CEO & WHOLE-TIME DIRECTOR

For and on behalf of Directors

SUMER CHAND TAYAL
DIRECTOR
DIN: 00255661

AMIT DHURIA
CHIEF FINANCIAL OFFICER

Place: NEW DELHI
Date: 31.05.2018

PART-III
ABRIDGED CASH FLOW STATEMENT AS AT MARCH 31ST, 2018

	As at 31 March 2018	As at 31 March 2017
Operating activities		
Profit before tax	43,61,63,409	35,73,57,918
Profit before tax		
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and impairment of property, plant and equipment	3,83,91,198	4,26,67,371
Gain on disposal of property, plant and equipment	(28,25,234)	(8,31,116)
Loss on account of fire	-	16,31,07,918
Finance income	(44,84,883)	(42,01,269)
Finance costs	14,43,04,473	13,00,17,137
<i>Working capital adjustments:</i>		
(Increase)/ decrease in inventories	(30,97,57,630)	(29,75,08,067)
(Increase)/ decrease in trade receivables	(56,67,60,993)	(10,95,90,564)
(Increase)/ decrease in other bank balances	(56,20,283)	(87,30,458)
(Increase)/ decrease in other financial assets	10,96,026	2,70,649
(Increase)/ decrease in other assets	(9,75,01,571)	(29,94,97,352)
(Decrease)/ increase in trade payables	36,18,98,654	(2,36,75,538)
(Decrease)/ increase in other financial liabilities	(12,63,184)	(6,19,47,138)
(Decrease)/ increase in provisions	(5,11,14,489)	5,76,565
(Decrease)/ increase in other current liabilities	(68,04,038)	2,82,92,780
Cash generated from operations	(6,42,78,546)	(8,36,91,162)
Income tax paid	(12,42,69,875)	(14,47,63,007)
Net cash flows from operating activities	(18,85,48,422)	(22,84,54,169)
Investing activities		
Proceeds from sale of property, plant and equipment	4,21,24,298	22,10,000
Purchase of property, plant and equipment	(11,63,17,567)	(9,61,66,949)
Interest received	44,84,883	42,01,269
Net cash flows used in investing activities	(6,97,08,386)	(8,97,55,680)
Financing activities		
Proceeds from issue of shares	-	43,62,20,000
Proceeds from borrowings	26,12,41,507	25,87,69,758
Repayment of borrowings	(2,61,88,954)	(1,68,20,568)
Interest paid	(14,43,04,473)	(13,00,17,137)
Dividends paid to equity holders of the parent	(1,39,94,984)	(1,27,11,984)
Dividend distribution tax	(29,28,427)	(25,87,906)
Net cash flows from/(used in) financing activities	7,38,24,668	53,28,52,163
Net increase in cash and cash equivalents	(18,44,32,139)	21,46,42,314
Cash and cash equivalents at the beginning of the year	21,75,16,658	28,74,344
Cash and cash equivalents at year end	3,30,84,518	21,75,16,658

For KSMC & ASSOCIATES
Chartered Accountants (FRN: 003565N)

CA SACHIN SINGHAL
Partner
M. No. 505732

Place: NEW DELHI
Date: 31.05.2018

SIDDHARTH AGRAWAL
COMPANY SECRETARY

VIKAS GARG
MANAGING DIRECTOR
DIN:00255413

ASHUTOSH KUMAR VERMA
CEO & WHOLE-TIME DIRECTOR

For and on behalf of Directors

SUMER CHAND TAYAL
DIRECTOR
DIN: 00255661

AMIT DHURIA
CHIEF FINANCIAL OFFICER

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

- Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows (wherever applicable) and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at www.vikasecotech.com. Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.
- The amounts to be shown here be the same as shown in the corresponding aggregated heads in the financial statements as per Schedule III.
- Amount, if material, by which any item shown in the financial statements are affected by any change in the accounting policy, should be disclosed separately.

4. Contingent liabilities

a) Guarantees		
Particulars	Year ended	Year ended
	31-Mar-18	31-Mar-17
Bank guarantees issued by banks on behalf of the Company*	7,00,000	67,00,000
Letter of credit* (Limit utilised against trade payables outstanding in note 19)	24,08,42,059	27,36,00,000
Duty against advance license	-	5,09,54,000
	24,15,42,059	33,12,54,000

b) Claims not acknowledged as debts				
Nature of statute	Period to which amount relates	Nature of dues/ demand	Amount	Forum in which dispute is pending
Income Tax Act	2002-03	Income tax demand	31,44,000	ITAT, Delhi
Income Tax Act	AY 2012-13	Income tax demand	Refer Note Below**	ITAT, Delhi
Income Tax Act	AY 2015-16	Income tax demand	12,43,850	Commissioner of Income Tax Appeal-IX, Delhi
Custom Act	2011-12	Custom duty demand	3,60,387	Custom Authorities, Rajasthan
VAT	2012-13	VAT demand	88,000	VAT Authorities, Jammu
VAT	2013-14	VAT demand	90,67,107	Special commissioner Deptt. of Trade and Taxes, Rajasthan
Excise*	Excise Duty Demand (Sigma Plastic Industries)		31,24,983	CESTAT (Delhi)
Excise		Excise Duty Refund	4,09,226	CESTAT (Delhi)

* The Company acquired 100% share in Sigma Plastic Industries, which was merged in the Company during financial year 2014-15. Accordingly, pending litigation of Sigma Plastic Industries has also become part of pending litigation of the Company.

**Income Tax Appeal case pending before CIT (A) pertaining to AY 2012-13 has been decided vide order dated 15.03.2018 deleting the additions of Rs. 2,10,05,398 and confirming the additions of Rs. 6,64,416. The CIT (A) has further enhanced income by Rs. 3,39,19,015. Aggrieved by this order, the company has filed an appeal before Hon'ble ITAT Delhi. The tax demand notice on this confirmed addition and enhanced addition has not been received by the company as on date.

The Company has filed civil suit against ADM Agro Industries Kota and Akola Limited supplier of Soya Bean Oil in Saket Court Delhi (Case No-CS OS No.-198/214) amounting Rs. 9,961,516 due to poor supply of soya bean oil. The Company has suffered a loss due to such poor quality of material supplied by them and non-recovery of money from debtors and it also affect goodwill of the Company. ADM Agro Industries Kota and Akola Limited has also filed winding up petition against the Company in High Court (Case No. CO PET N. 64/2014) due to non-payment of Rs. 4,115,664 along with interest at the rate of 18% from the due date of payment. ADM Agro Industries Kota and Akola Limited has also filed a summary suit for recovery of debts in Tis Hazari Court (Summary Suit No. – C S (OS) 3077/2014).

36. Capital commitment		
Particulars	Year ended	Year ended
	31-Mar-18	31-Mar-17
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)*	3,95,12,075	8,22,49,748

* The Company has intended to purchase the property for Rs. 16,79,88,400 at New Rohtak Road, New Delhi. The Company has made the payment of Rs. 13,42,62,626 for the same till 31 March 2018, which is shown as per Note No. 8 under “other non-current assets” in the Balance Sheet. Balance payment and the registration will be done in upcoming years and the same will be registered in the name of the Company after completing all the formalities for taking over the units.

* The Company has intended to purchase the property for Rs. 1,15,54,987/- at Dahej, Gujrat. The Company has made the payment of Rs. 57,68,686/- for the same till 31 March 2018, which is shown under Current Capital Advances as per Note no. 14 “other current assets” in the Balance Sheet. Balance payment and the registration will be done in upcoming years and the same will be registered in the name of the Company after completing all the formalities for taking over the units.

5. All notes forming part of the financial statements as per Schedule III to which specific attention has been drawn by the auditors or which form a subject matter of qualification by the auditor should be reproduced. NIL
6. Any item which constitutes 20% or more of the total income or expenditure (including provisions) should be shown separately.

18. Provisions			
a) Long-term provisions			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Gratuity	38,12,654	23,19,712	4,89,443
	38,12,654	23,19,712	4,89,443
b) Short-term provisions			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Gratuity	7,23,765	62,300	16,182
	7,23,765	62,300	16,182

7. Notes shall include the notes, if any, contained in the financial statements pertaining to the following:
 - a) Period and amount of defaults on the balance sheet date in repayment of borrowings (other than Trade Payables) and interest thereon. NIL
 - b) Business combination like Amalgamations, acquisitions, restructurings, and demergers during the Reporting period.
 - c) Material events affecting the going concern assumption. NIL
 - d) Investigation and inspection conducted or ordered under the provisions of Companies Act, 2013. NIL
 - e) Non-compliance with any law during the Reporting period and the penalties imposed/compounding fees paid. NIL
 - f) Any other note considered significant by the management. NIL
8. Disclosure of Related Party Transaction shall be made in terms of the requirements of Ind AS- 24.

A. List of related parties

1. Company with common Director

Vikas Multicorp Limited (formerly known as Moonlite Technochem Private Limited)

MM Infosystems Pvt. Ltd.

2. Key management personnel (KMP)

Vikas Garg	Managing Director
Vivek Garg	Whole time Director
Ashutosh Kumar Verma	Chief Executive Officer and Whole time Director
Devender Kumar Garg	Director (Finance)
Sumit Garg	Chief Financial Officer
Anjavi Pandya	Ex- Chief Financial Officer
Siddharth Agrawal	Company Secretary

3. Relative of Key management personnel (KMP)

Seema Garg
Shashi Prabha Verma

4. Other related parties

Vikas Polymer (India)

Nature of transaction	Company with common director	KMP and relative	Other related parties	Total
Sales	10,03,57,378	-	-	10,03,57,378
Purchases	15,75,61,147	-	3,30,34,234	19,05,95,381
Advance against supplies	13,33,41,252	-	1,54,55,024	14,87,96,276
Current Capital Advances	6,14,903	-	-	6,14,903
Rent paid	-	4,25,967	-	4,25,967
Director remuneration	-	44,49,854	-	44,49,854
Legal & Professional Charges	4,78,958	-	-	4,78,958
Salary and allowances to KMP*	-	20,22,481	-	20,22,481
	39,23,53,638	68,98,302	4,84,89,258	44,77,41,198
Balances as at 31 March 2018				
Advance against supplies	13,39,19,804	-	1,54,55,024	14,93,74,828
Current Capital Advances	11,93,455	-	-	11,93,455
Other current Liabilities	3,46,293	2,53,091	-	5,99,384

9. Details of cash and cash equivalents shall be disclosed as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash in hand	4,32,568	22,42,197	12,09,411
Balance with banks			
On current accounts	3,05,69,445	13,94,28,450	5,31,225
On cash credit limits - Repayable on demand	-	7,42,46,777	-
Unpaid dividend account *	20,82,508	15,99,233	11,33,708
	3,30,84,521	21,75,16,658	28,74,344

12. Other bank balances	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits with bank held as margin money			
Bank deposits (with maturity within 12 months from the reporting date)	5,55,50,566	4,99,30,283	4,11,99,825
	5,55,50,566	4,99,30,283	4,11,99,825

13. Other financial assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good unless otherwise stated			
Interest accrued but not due on deposits	11,66,108	16,63,335	37,04,967
	11,66,108	16,63,335	37,04,967

10. Segment Reporting shall be in the same format/details as reported in audited financial statements.

Factors used to identify the entity's segments, including the basis of organization

Operating segment is a component of the Company that engages in the business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has determined following reportable segments, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Company's CEO reviews internal management reports on at least a quarterly basis.

- a) Chemical division
 - i. Manufacturing division
 - ii. Trading division
- b) Real Estate division

Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Particulars	Chemical Division		Real Estate Division	Unallocated amounts	Total
	Manufacturing	Trading			
Segment revenue	2,86,45,32,107	80,73,02,425	15,25,000	-	3,67,33,59,532
Segment expenditure	2,32,68,25,467	81,52,27,389	4,51,410	-	3,14,25,04,266
Segment results	53,77,06,640	(79,24,964)	10,73,590	-	53,08,55,266
Other income	3,53,63,009	57,39,490	-	85,10,117	4,96,12,616
Interest expense	11,66,29,075	2,76,23,218	52,180	-	14,43,04,473
Segment profit before tax	45,64,40,574	(2,98,08,692)	10,21,410	85,10,117	43,61,63,409
Segment assets –					
Capital employed	1,62,68,05,799		2,56,28,066	-	1,65,24,33,865

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on geographical location of customers and segment assets have been based on the geographical location of the assets.

Particulars	Domestic	Export	Total
Segment Revenue	2,02,21,01,509	1,65,12,58,023	3,67,33,59,532
Particulars	Domicile (India)	Other countries	Total
Segment Assets	3,98,10,26,795	0	3,98,10,26,795

For KSMC & ASSOCIATES
Chartered Accountants (FRN: 003565N)

CA SACHIN SINGHAL
Partner
M. No. 505732

SIDDHARTH AGRAWAL
COMPANY SECRETARY

Place: NEW DELHI
Date: 31.05.2018

VIKAS GARG
MANAGING DIRECTOR
DIN:00255413

ASHUTOSH KUMAR VERMA
CEO & WHOLE-TIME DIRECTOR

For and on behalf of Directors

SUMER CHAND TAYAL
DIRECTOR
DIN: 00255661

AMIT DHURIA
CHIEF FINANCIAL OFFICER

VIKAS ECOTECH LIMITED
(Formerly Vikas GlobalOne Limited)

(CIN: L65999DL1984PLC019465)

Registered Office: Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi-110026
Ph No.: 011-43144444, Fax: 011-43144488, e-mail id: investors@vikasecotech.com

ATTENDANCE SLIP
(To be presented at the entrance)

33rd ANNUAL GENERAL MEETING ON FRIDAY, 28th SEPTEMBER 2018 AT 11.30 A.M. AT Haryana Maitri Bhawan, Pitampura, New Delhi-110034

Name of Shareholder/Proxy Holder.....

DP ID No.....

Client ID No.....

Shareholder's Folio No.

No. of Shares held.....

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING ON FRIDAY, 28th SEPTEMBER 2018 AT 11.30 A.M. AT Haryana Maitri Bhawan, Pitampura, New Delhi-110034

.....
Member's/Proxy Signature

NOTES:-

1. Only shareholder/Proxy holder can attend the meeting

VIKAS ECOTECH LIMITED

(Formerly Vikas GlobalOne Limited)

(CIN: L65999DL1984PLC019465)

Registered Office: Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi-110026

Ph No.: 011-43144444, Fax: 011-43144488, e-mail id: investors@vikasecotech.com**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s): _____
Registered Address: _____
E-mail ID: _____
Folio/ DP ID - Client ID No.: _____

I/We being the member(s) of _____ shares of Vikas EcoTech Limited hereby appoint:

(1) Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him;

(2) Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him;

(3) Name: _____

Address: _____

E-mail ID: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on 28th September, 2018 at Haryana Maitri Bhawan, Pitampura, New Delhi-110034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
Ordinary Business:			
1.	Adoption of Audited Financial Statements for the year ended March 31, 2018.		
2.	Declare Final Dividend @5% i.e. Rs. 0.05/- (Five Paisa) per share		
3.	Re-appointment of Mr. Vikas Garg as a Director, who retires by rotation		
Special Business:			
4.	Ratify and confirm the remuneration to JSN & Co., Cost Auditor		
5.	Regularisation of Shri. Madan Mohan Mandal as Independent Director for 5 years not liable to retire by rotation		

Note: Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this _____ day of _____ 2018

Signature of shareholder _____ Revenue Stamp

Affix Re 1

Signature of Proxy holder _____

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33rd Annual General Meeting.
- *5. It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Please complete all details including details of member(s) in above box before submission.

