

# 38<sup>TH</sup> Annual Report 2022-23



**Innovative Technology for a Safer World**



**VIKAS ecOTECH LTD.**

(CIN - L65999DL1984PLC019465)

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## MISSIONS, VISION & VALUES



### Mission

To be a leading global player in specialty chemicals and polymers by providing premier-quality products niche & super consistent whilst leveraging science to create maximum value for all stakeholders



### Vision

"To contribute to a safe and sustainable future by creating innovative chemical solutions and driving long-term growth."



### Values

We are a diverse team united by a shared set of values. Our values define the beliefs we strive to live up to in our corporate actions and customer relationships.



#### Responsibility

We are committed to safety and environmental stewardship in every sphere of our operations.



#### Integrity

We inspire trust, transparency and credibility in all our business actions.



#### Innovation

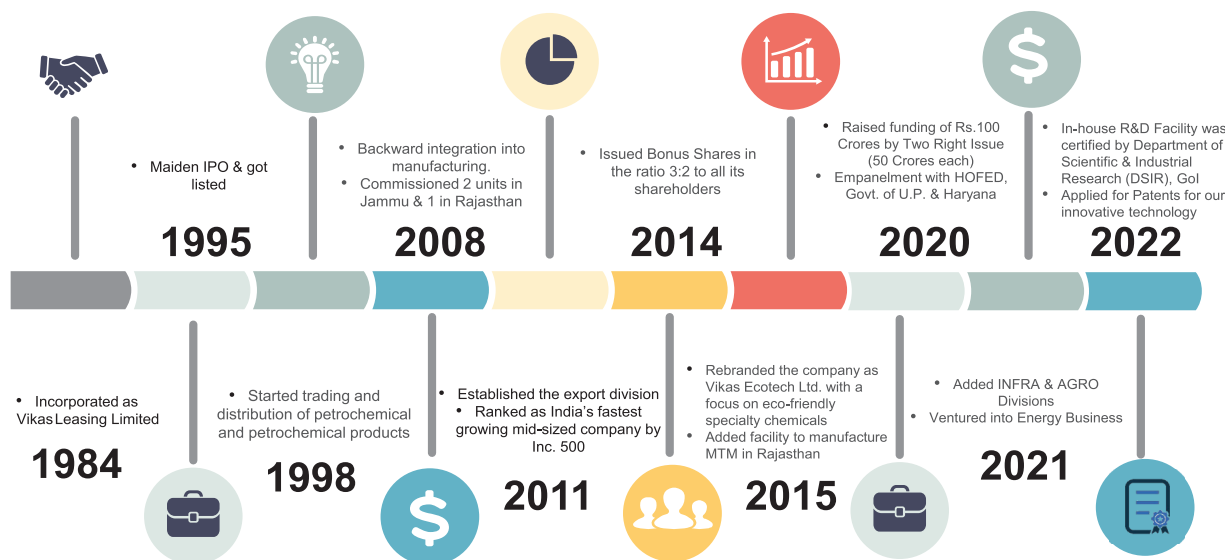
We encourage people to constantly look for novel ways to create value.



#### Customer delight

We go to extraordinary lengths to exceed our customer's expectations.

## KEY MILESTONES



## BOARD OF DIRECTORS

**Dr. Vikas Garg**  
Managing Director

- 25 years +experience in the field of petrochemical products Steered the group's diversification into polymer compounds and specialty chemical additives for rubbers & Plastics.

- Spearheaded company's flair towards R&D and manufacturing expertise of Specialty chemicals.

- Provides strategic direction and guidance to all the activities of the company

**Mr. Rajeev Kumar**  
Executive Director

Bachelor in Arts from Sam Higginbottom Institute of Agriculture, Allahabad University and having vide experience of 20 years in the field in handling Strategic planning and Commercial projects.

**Dr. Ravi Kumar Gupta**  
Independent Director

- Master Degrees i.e. MFC, MIB, M.Com, PGDCA along with Ph. D in Commerce from the State University of Haryana.

- More than 23 years of experience in the field of Financial Management, Business Policy & Corporate Social Responsibility.

- Worked in Higher Education and is presently associated with Maharaja Agrasen Technical Education Society

**Dr. Gyan Prakash Govil**  
Independent Director

- Ph.D. and M. Tech (Thermal) degree from IIT Delhi

- Has diverse experience in sphere of Research and presently working as Dean of Maharaja Agrasen University, Baddi and Advisor to MATES, Rohini, Delhi.

- In past he has also worked for Bharat Electronics Limited and Ministry of Defense, Government of India.

**CS Kratika Godika**  
Independent Director

- B.COM Graduate and Associate member of The Institute of Company Secretaries of India (ICSI).

- More than 4 years of experience in corporate laws.

- Core areas are strengthening the existing risk compliance and governance framework.

## KEY MANGERIAL PERSONNELS

**Mr. Balwant K Bhushan**  
Chief Executive Officer & Director

- Studied commerce and a qualified Cost Management Accountant (CMA) from Institute of Cost Accountants of India.

- He has wide experience in the field of Finance & Costing.

**Mr. Amit Dhuria**  
Chief Financial Officer

- A dynamic Chartered Accountant having 16+ years of experience in Finance, Accounting, Taxation and Auditing, a fellow member of the Institute of Chartered Accountants of India.

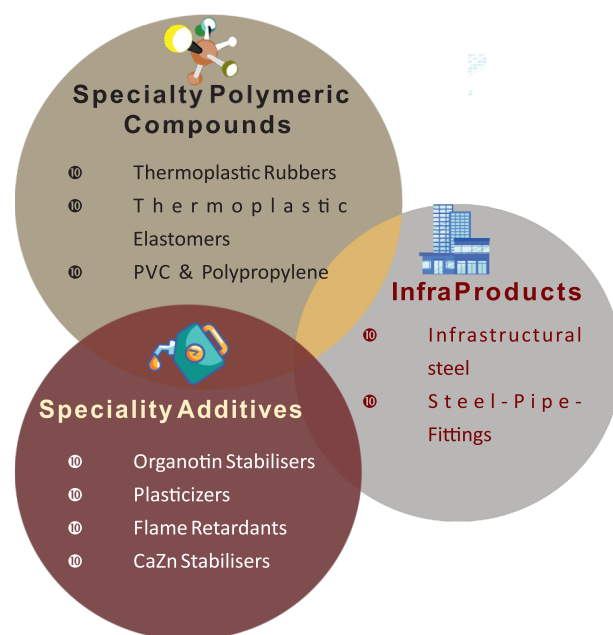
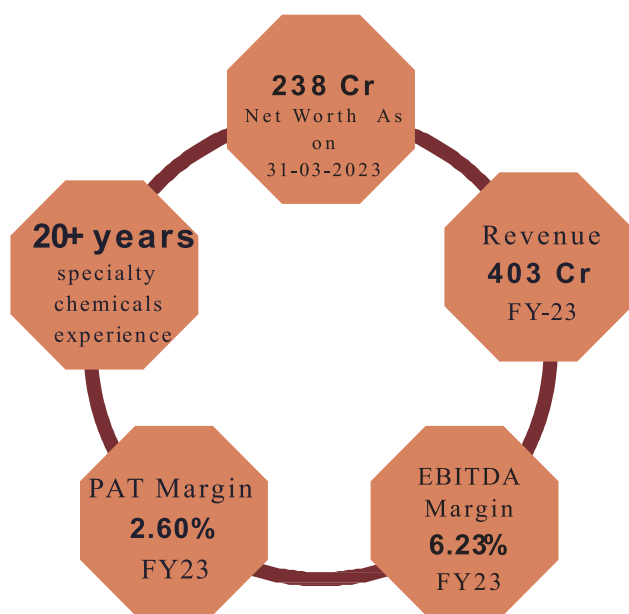
- As CFO, he is focused on driving financial performance of the group through rigor and synergy in capital allocation, investment management decisions & portfolio optimization.

**FCS Prashant Sajwani**  
Company Secretary & Compliance Officer

- Fellow Member of The Institute of Company Secretaries of India (ICSI).

- More than 8 years experience in Corporate Secretarial, legal, Statutory Compliance, Corporate Governance, IPR and allied matters

## BUSINESS SEGMENTS



## STATE-OF-THE-ART FACILITY

The Facility is equipped with all the modern machineries & equipment with in house R&D and Quality Testing Facility and Laboratory

### LOCATION:

Shahjahanpur, Alwar  
Rajasthan

### AREA:

14,000 square meter

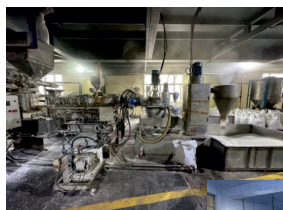
### ANNUAL CAPACITY:

30,000 MT

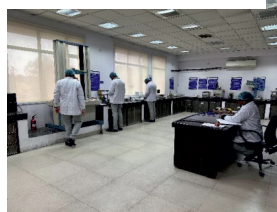
### CAPACITY

UTILIZATION (2023)

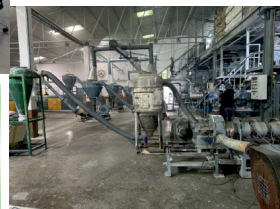
75%



**Strategically Located State-of-the art Manufacturing Facilities**



The in-house Quality Testing facility ensures that product quality is maintained. The infrastructure facility is catering to many renowned clients globally



## KEY DIFFERENTIATORS



## CERTIFICATIONS & IPR

### CERTIFICATIONS



ISO (9001:2015)  
CERTIFIED



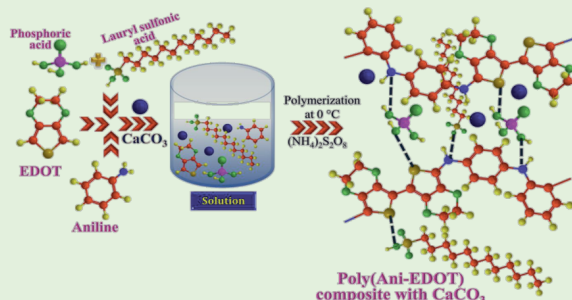
GLOBAL RECYCLED  
STANDARDS (GRS)



DSIR CERTIFICATION  
for In-House R&D  
Govt. of India

### ENHANCEMENTS IN INTELLECTUAL PROPERTY

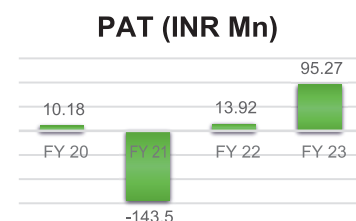
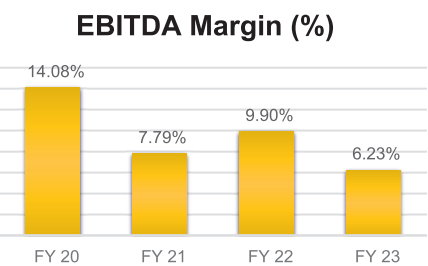
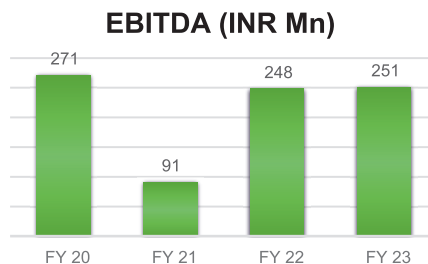
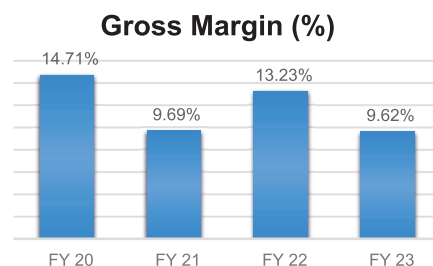
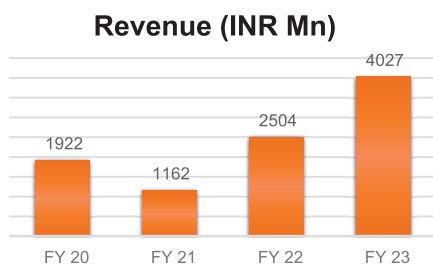
Successfully applied for grant of patent titled "Smart Intelligent Coatings using nano Calcium Carbonate blended in Conjugated polymer matrix for corrosion protection and a process for the preparation thereof".  
PATENT APPLICATION No. : 202111052407



#### Benefits:

- ✓ As it gives in market an innovative conjugated polymer composite which on incorporation in paint formulations can protect iron and mild steel under corrosive conditions, first Self-Healing Smart Coating material.
- ✓ It will stimulate the growth of company, as with patented technology we can attract overseas investments & can develop products for export.
- ✓ Profits generated by patent exploitation can be invested in further research & development which may stimulate commercial growth.
- ✓ It can help cement joint ventures, strategic partnerships & acquisitions.

## VIKAS ECOTECH'S GROWTH TRAJECTORY



\*\* FY21 PAT was effected due to the Covid-19

## LATEST DEVELOPMENTS

### Biodegradable Plastics



Entered MoU with Aurapha Private Ltd. (the 'AuraPHA') to invest in environment friendly Bioplastics (PHA) technology & in advance stage of finalising a Technology Tie-Up/ Joint Venture to produce Biodegradable Plastics

Recently ventured into trading and manufacturing of infra product, which not only enhancing company's revenues, product basket, profitability but also mitigating concentration risk.



### Infra Product Division

### DSIR Certification



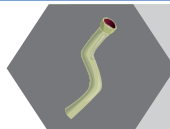
DSIR Certification for our in-house R&D Facility by Ministry of Science & Technology, Govt. of India will encourage development of state-of-the-art globally competitive technologies of high commercial potential, will help in accelerating commercialization of lab-scale R&D and in increasing the share of technology-intensive exports in overall exports.

The company has been most recently empaneled as an approved vendor with the U.P. State Horticultural Co-Operative Marketing Federation (HOFED) a Uttar Pradesh Government.



### Empanelment with HOFED

### The Gas Pipes Manufacturing Project



The Civil work was begun in August 2021 for our company's plot number 2 which is completed now. For this plant we are giving orders for Gas pipe manufacturing machinery. We are confident that this plant will get operationalize in this financial year.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Board of Directors is pleased to share the present Management Discussion and Analysis Report based on the business of the company i.e. Polymer Compounds, Specialty Additives and Infra Products business along with the Financial Statements for the financial year ended March 31, 2023.

*Our Company was originally incorporated on November 30, 1984 as "Vikas Leasing Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana. The name of our Company was changed from "Vikas Leasing Limited" to "Vikas Profin Limited" and a fresh certificate of incorporation was issued on January 7, 2002. Thereafter, again the name of our Company was again changed from "Vikas Profin Limited" to "Vikas Globalone Limited" and a fresh certificate of incorporation was issued on December 31, 2008. On October 21, 2015, the name of our Company was again changed from "Vikas Globalone Limited" to "Vikas Ecotech Limited" and a fresh certificate of incorporation was issued under the seal of Registrar of Companies, Delhi and Noida SEZ (Uttar Pradesh). However, the operation in Noida SEZ is in operative since covid 19.*

*We are primarily engaged in the business of manufacturing of Specialty Chemicals focused on Specialty Chemical Additives and Specialty Polymer Compounds. Presently, our manufacturing facilities are operating at Shahjahanpur (Rajasthan).*

*Your company engaged in the business of Specialty Polymers & Specialty Additives and Chemicals for Plastics & Rubbers industries, catering to a wide horizon of applications in Agriculture, Infrastructure, packaging, electrical, footwear, pharmaceuticals, automotive, medical devices and components and other consumer goods. We market our products under well recognized brand names "Tinmate", "Thermate", "Veeprene TPR compound" and "Veeprene TPE compound".*

*Vikas Ecotech is the only manufacturer of Organotin (Heat Stabilizers for Vinyl applications) in India with in-house R&D facilities and is one of the single digit number of manufacturers of this product worldwide, who have technology and expertise for manufacturing this material right from Tin Metal to the final product. Vikas Ecotech is expanding its business and product portfolio has added many consumer (final) products to its conventional (raw material businesses) profile. The new business segments include Infrastructure Products like Steel Pipe Fittings, MDPE Pipes for Gas applications to its business lines.*



### Success of our R&D

Trading and carrying out recycling process in the chemical industry, as vast as the chemical industry is spread, the greater is the need to continuously work on the Research and Development aspect of the sector. Our Company is well aware of the only improvisation and the product quality is the vital for the growth and sustainability of our Company. R&D is one of the driving forces for expansion in our Company. Research and development is one of our key strengths and is integral to our growth. We continue to build on our capabilities and competencies in the field of chemistry. Our in-depth expertise in process research, process development and analytical references enables us to provide integrated solutions to our global customers. If we fail to carry out Research and Development in a timely manner, it may adversely affect our business, results of operations, cash flows and financial condition.

### Global Outlook

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's



invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

The January 2023 World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

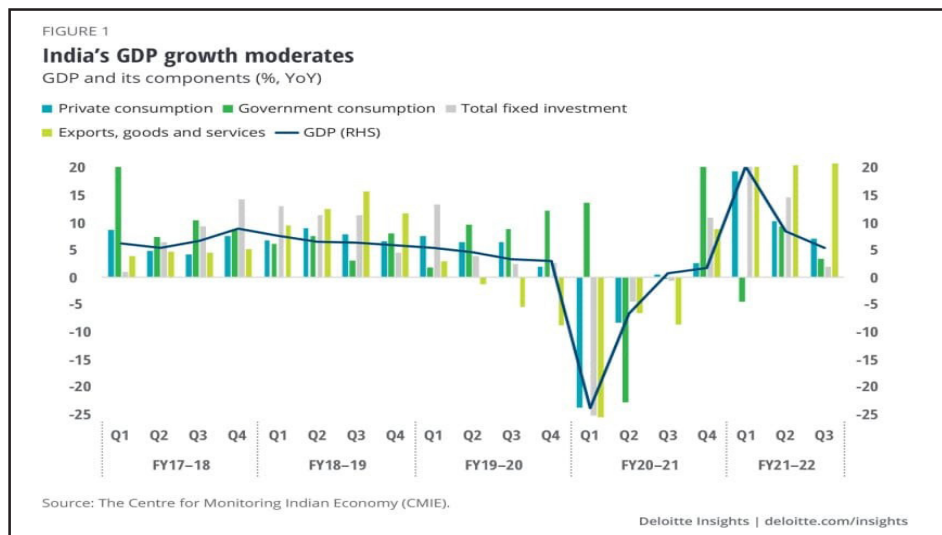
The escalation of geopolitical tensions into war from late February 2022 has delivered a brutal blow to the world economy, battered as it has been through 2021 by multiple waves of the pandemic, supply chain and logistics disruptions, elevated inflation and bouts of financial market turbulence, triggered by diverging paths of monetary policy normalisation.

Over the first half of 2021, an uneven and divergent global recovery began to take shape with the ebbing of the "Delta" variant-driven infections and the gathering pace and scale of vaccination. In its April 2021 World Economic Outlook (WEO), the IMF estimated world GDP to grow by 6.0 per cent in 2021 and world trade by 8.4 per cent.<sup>3</sup> Emerging market and developing economies (EMDEs) were seen as lagging in view of limited space for maintaining policy stimulus and uneven access to vaccines.

In the second half of 2021, the global recovery became hostage to the "Omicron" variant. This wave turned out to be short-lived and global trade recovered amidst supply and logistics bottlenecks to grow by 10.1 per cent over the year as a whole. Underpinning this upturn, global manufacturing accelerated to 9.4 per cent in 2021 from 4.2 per cent a year ago. The IMF's April 2022 WEO has placed global GDP growth for the year at 6.1 per cent, a shade higher than its projection made a year ago. This experience reflects the innate resilience that has built up in the global economy as it contended with the pandemic, the shortages, and supply chain disruptions that unravelled in its wake.

In India, first the Delta-driven and then the Omicron-induced waves of the pandemic unsettled the recovery in domestic economic activity. That the third wave turned out to be shorter-lived and less debilitating in terms of impact on economic activity than the first two waves attests to the efficacy of the nationwide vaccination drive and no less to learning and adaptation. The success in navigating two waves of the pandemic owes a lot to the coordinated efforts with central and state governments and third tiers of administration, running multiple awareness campaigns to quell vaccination hesitancy and the selfless, courageous and determined efforts of various stakeholders which imparted speed to the vaccination drive. In spite of the severity of the second wave, the loss of output in Q1:2021-22 was about one-third of what was suffered during Q1:2020-21 when measured from the level of GDP recorded in Q1:2019-20 (pre-pandemic). This resilience and the underlying strengthening of the impulses of growth were evident in the recommencement of the recovery from Q2:2021-22 onwards. In fact, the third wave starting end-December 2021 was flattened in a month's time, with infections back to levels seen at the start of the pandemic. The National Statistical Office (NSO) has placed real GDP growth at 8.9 per cent in 2021-22, surpassing its pre-pandemic level (of 2019-20) by 1.8 per cent. Fiscal reprioritisation of expenditure towards infrastructure, robust crop production, ebullient export growth in the face of hostile international conditions, and congenial monetary and financial conditions engendered by the Reserve Bank underpinned this macroeconomic performance. Nevertheless, private final consumption expenditure (PFCE) and gross fixed capital formation (GFCF) remain work in progress, having barely exceeded their pre-pandemic levels.

The gross fiscal deficit (GFD) for the central government declined by 2.5 percentage points of GDP in 2021-22 (revised estimates) in response to a calibrated withdrawal of pandemic related fiscal stimulus and robust tax and non-tax collections. Despite the consolidation, the net fiscal impulse remained positive with a focus on capital expenditure and welfare measures to mitigate the second wave of the pandemic. Under the disinvestment programme, the privatisation of Air India was an important milestone. States' revenue and capital receipts posted strong recoveries and central tax devolution exceeded the Centre's budget estimates. Notably, the surge in states' capital expenditure improved the quality of spending. Key sub-national deficit indicators also showed improvement during the year.



Right when the global economy seemed to be at the point of perceiving green shoots of recovery after leaving the worst of the COVID-19 pandemic behind, the Russia-Ukraine crisis escalated. Subsequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up.

Understandably, the crisis has clouded India's growth outlook as well. Crude oil prices are persistent above US\$100 per barrel, wheat has gone up by 50%, and edible oil prices are up 20%—all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs.

Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation. Consumer price inflation broken the upper band of the Reserve Bank of India's (RBI's) comfort zone (of 4%+2%) and grew by 6% in January 2022 as against 5.7% in the previous month. Wholesale price inflation also jumped to a decadal high of 12.96%. Prices rose primarily because of logistics and supply chain disruption as the number of infections increased and regional lockdowns was imposed. Prices of food commodities—led by vegetables, edible oils, and poultry products—witnessed sharp increases.

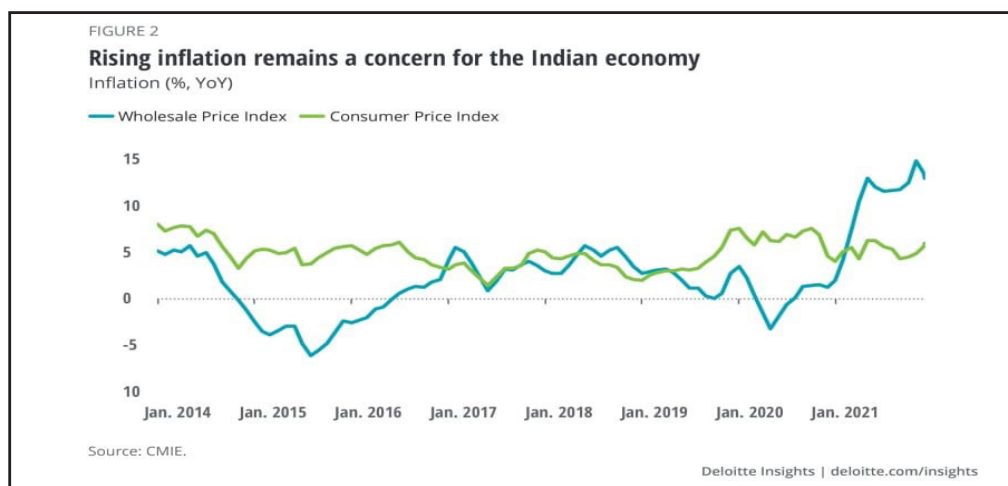


Figure: Wholesale price inflation overview

## Global Industry Overview

### For Polymer compounds:



The global plastic compounding market is estimated to account for over US\$ 420 Bn by the end of 2017 and registering a CAGR of 5.2% during the forecast period (2017-2025), is projected to reach a market value of about US\$ 645 Bn by 2025 end. Owing to the plastic industries growth, the government has given emphasis on strengthening the industry as it currently hosts over 30,000 processing units, 85-90% of which are small and medium-sized enterprises. Among all the regions, Asia Pacific is estimated to account for 40.3% value share in the global plastic

compounding market by 2025 end followed by Europe with 25.1% value share by 2025. Increasing plastics demand in construction, automotive and electrical & electronics sectors is expected to be a major factor driving global plastic compounding industry growth.

The growing population, coupled with rapid urbanization and industrialization in emerging economies, has been impelling federal governments to increase their construction spending to cater to increasing infrastructure needs. Rising construction spending by governments, particularly in China and India, will drive the demand for plastic in infrastructure and construction applications.

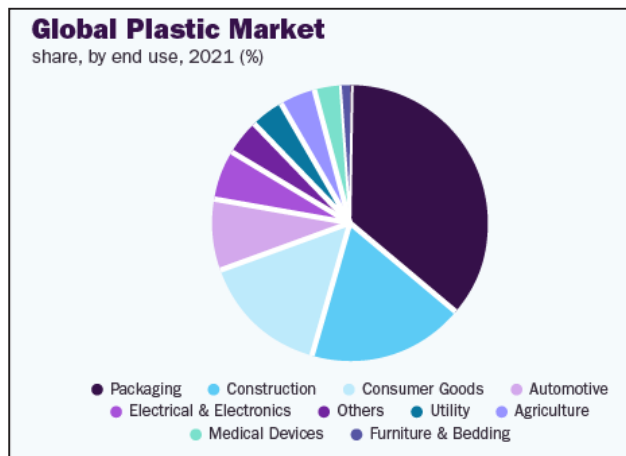
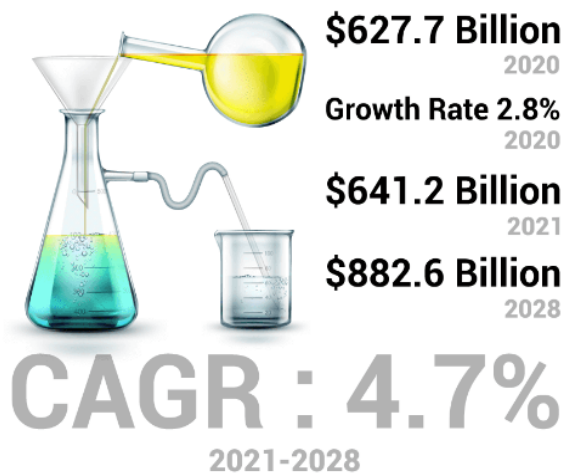


Figure: Global Plastic market size; Source grandviewresearch.com

The packaging end-use segment held the largest market revenue share of more than 36.0% of the overall demand in 2021. Packaging is a high-potential end-use segment with moderate penetration. Plastic has been an integral part of the packaging industry. Furthermore, the advent of bio-based plastics has also played a significant role in the food, pharmaceutical, and beverage packaging sectors.

#### For Specialty Additives:



The Global specialty additives market size was around \$ 627.7 billion in 2020. Based on the analysis due to the impact of Covid-19 the global market exhibited a decline of 2.8% in 2020. Now the Market is projected to grow from \$ 641.2 billion in 2021 to \$ 881.5 billion in 2028 at a CAGR of 4.7% during the period of 2021-2028. The Specialty Chemicals Industry is a mature sector.

For decades, many industries have utilized specialty chemicals in manufacturing and finishing. Specialty chemicals are produced by a complex, interlinked industry chain and are sold based on their performance or function and composition. These can either be single chemical entities or formulations whose composition directly influences the performance and processing of the consumer's product. Specialty additives are used by a plethora of manufacturing industries such as textile, oil & gas, ink additives, plastic, construction, food and cosmetics.

Businesses operating in this sector require deep knowledge and the ability to bring about consistent innovations targeting specific roles and purposes. Since specialty chemicals are widely used, changes to industrial and consumer product life cycles and new offerings can create demand for variations.

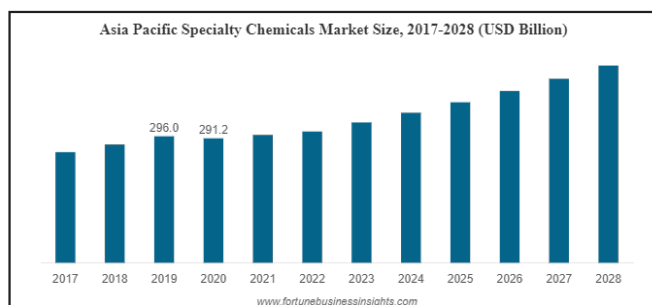


Figure: Specialty Chemicals market Size; Source: Fortune business sights

**Based on end-usage, specialty chemicals can be divided into various sub-segments:**

- Paints, Coatings and Inks
- Polymer and additives
- Agro-chemicals
- Colorants and pigments
- Construction chemicals
- Personal care and Cosmetics
- Textile chemicals
- Surfactants

**For Infra Product Business:**

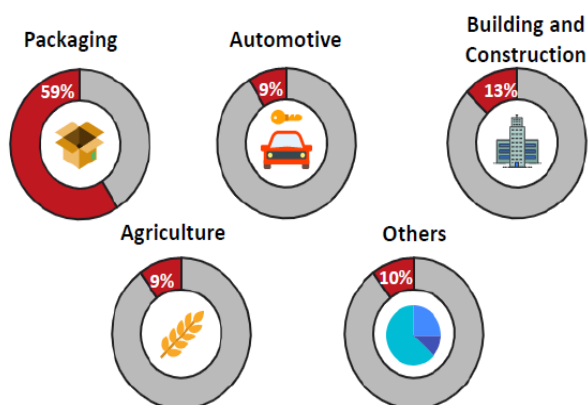
The Infrastructure industry has made a significant recovery from the 2020 downturn, but it has also experienced multiple gales that are expected to persist. 2022 should be another rewarding—but challenging—year, and the industry looks to be graceful to capture growth opportunities.

Infra Product Market is sub segmented by type as:

- Social Infrastructure (Schools, Hospitals, Defense, Other Infrastructure)
- Transportation Infrastructure (Railways, Roadways, Airports, Ports, Waterways)
- Extraction Infrastructure (Oil and Gas, Other Extraction (Minerals, Metals, and Coal)
- Utilities Infrastructure (Power Generation, Electricity Transmission & Distribution, Water, Gas, Telecoms)
- Manufacturing Infrastructure (Metal and Ore Production, Petroleum Refining, Chemical Manufacturing Industrial Parks and Clusters, Other Infrastructure)

The Global Infrastructure Market was valued at USD 2,242.3 Billion in 2021 and is expected to reach USD 3,267.3 Billion by 2027, registering a growth rate of 6.48% during the forecast period.

**Indian Industry Overview**



**- For Polymer compounds:**

Through technology innovation and increase in production capacity, Indian producers are targeting to achieve 3% of the global plastics and polymers market by 2025. There are currently over 30'000 plastic processing units, 85-90% of these are small and medium-sized enterprises employing less than 50 workers. The polymer consumption in India is expected to increase to about 20 million metric tons by 2020. This is majorly due to supportive government policies and use of polymers to replace traditional packaging in India.

Plastic industry produces many varieties of plastic in the country ranging from raw materials, laminates, plastic-moulded extruded goods, leather cloth and sheeting,

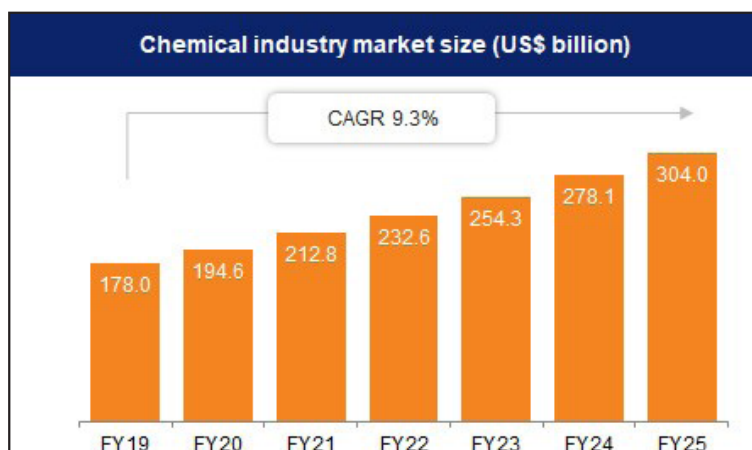
polyester films, moulded/soft luggage items, writing instruments, plastic woven sacks and bags, fishnets, polyvinyl chloride (PVC), packaging, consumer goods, sanitary fittings, tarpaulins, electrical accessories, travel ware, laboratory/medical surgical ware and others.

India is currently a powerhouse for plastic and polymer -based products majorly owing to the widespread manufacturing sector in India. There exists a huge gap between the demand and supply of plastic and polymer-based products. This gap is expected to widen in the future as urbanization continues and per capita plastic consumption of India reaches closer to its western counterparts. As industries become competitive and with growth in exports, the need for complex plastic products would arise which would provide an opportunity for foreign manufacturers and R&D firms to target these needs by way of production. Foreign manufacturers can also target to tap into plastic imports.

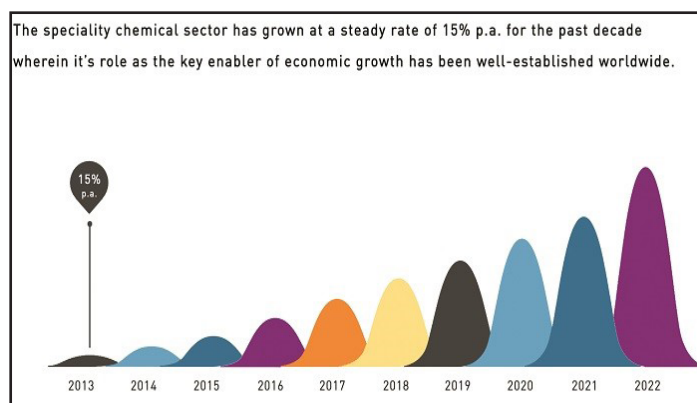
**For Specialty Additives:**

The chemical industry is poised to become a major ingredient in fuelling India's economic growth and has roots spread across a wide range of end-user industries - Personal Care, Home Care, Automobile, Consumer Electronics, Food & Beverages, Paint & Coating, Garment, and others thereby playing a major role in achieving the country's ambitious US \$5 trillion economy goal by 2025 Specialty additives are a niche division that offers special constituents to improve the performance of several end-users, including construction, automotive, cosmetic, textile, and agricultural industries.

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.



India's specialty Additives market is expected to grow to \$40 billion by 2025 from \$28 billion in 2018, according to a study by McKinsey & Company. The country is the fastest growing major specialty chemicals market in the world. Asia is expected to drive 70% of the incremental specialty chemicals demand till FY25, primarily fueled by disproportionate growth in China, and India, thereby laying an imperative for players to make bold moves, according to the report titled 'Building an at-scale Specialty Chemicals Business in Asia'.



Specialty additives are substances added to plastic resins to form process ready polymer compounds or to modify or impart specific changes to their property. The result of introducing an additive into a compound can vary from enhancing its properties to merely changing its color. Additives can also be used to improve the characteristics of polymers such as strength, luster, durability or heat sensitivity. Specialty Chemical additives comprise less than 1% of the total weight of the end product. The Indian polymer additives industry is small but is growing rapidly, driven by increase in usage by end-use industries such as automobiles and white goods. Globally, there is untapped potential in construction industry.

End-use applications for specialty additives are growing PVC accounts for ~ 40% of application of additives in India, followed by poly-olefins which constitute ~ 20%. The consumption of PVC in India has grown rapidly in the last decade due to its end-applications in pipes, conduits, wires and cables, medical packaging, doors, partitions and windows.

#### Types of Specialty additives:

- 1) **Plasticizers:** These are additives that improve the ease of processing of intermediates to plastic compounds. They increase Fluidity (reducing viscosity), and impart greater flexibility and durability (plasticity) to the end material (plastics). Applications include PVC products, particularly the ones used for cables and wires.
- 2) **Heat stabilizers:** These protect plastics from the degrading effects of heat. The major application includes PVC products used in construction such as window profiles, pipes and cable ducts.
- 3) **Antioxidants:** These prevent oxidative degradation (across manufacturing, processing and end-use stages) of polymers /Plastics in order to minimize changes in color, physical and mechanical properties such that they are within acceptable limits.
- 4) **Others:** Other significant additives are light stabilizers and flame retardants. Light stabilizers protect polymers (especially Polypropylene and polyethylene) from the long term degradation from ultraviolet component of

light. Flame retardants inhibit, Suppress or delay development of flames to prevent spread of fire.

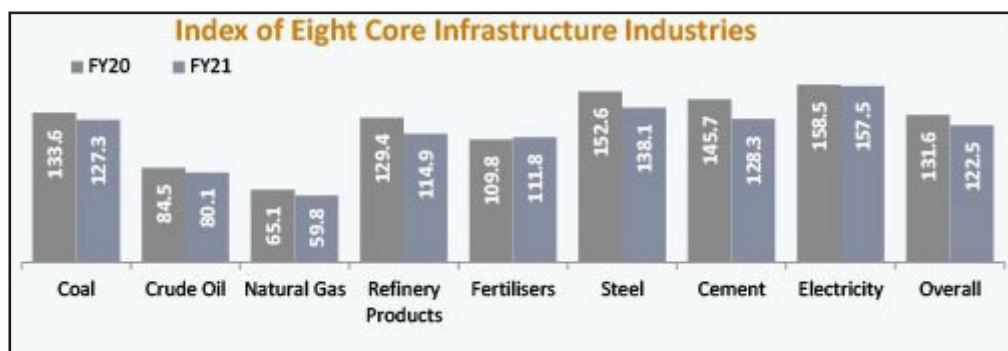
#### For Infra Product Business

For reporting the growth Asia was the only region in both number and value of projects. FDI invasions to Asia-Pacific continued strong; the region stood out as an attractive destination for international investments throughout the pandemic. For instance, in India, despite steady GDP deceleration in the last few years, the government attracted significant and steady foreign direct investment (FDI) inflows in the last decade. In the first nine months of 2020-21, India attracted equity FDI of USD 51.4 billion, up 40% compared to the USD 36.77 billion during the same period the previous year.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for pushing India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.17 billion and US\$ 26.30 billion, respectively, between April 2000-December 2021. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.

Figure: Core Infrastructure Industries

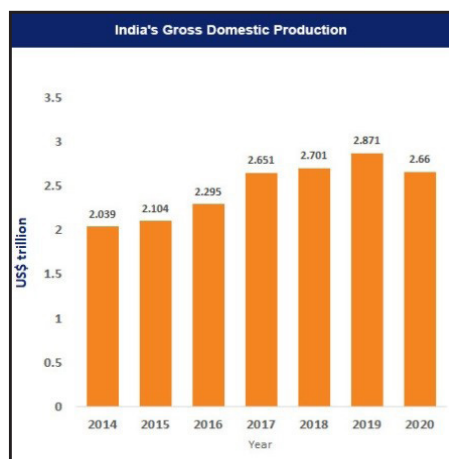


(Source: <https://www.ibef.org/industry/infrastructure-sector-india/infographic>)

The government launched the National Infrastructure Pipeline (NIP) for FY 2019-25, an INR 111-lakh-crore (USD 1.5 trillion) group of infrastructure projects aimed at improving ease of living and business environment. Initially, it was earmarked for 6,835 projects, further expanded to 7,400 projects in 2021. Roads, housing, urban development, railways, conventional power, renewable energy, and irrigation account for most of the project value.

#### Indian Economy Overview

As per the Asian development Bank Forecast India's economy will grow 7.5% in fiscal year (FY) 2022 and 8% in FY2023, supported by increased public investment in infrastructure and a pickup in private investment. India has appeared as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.



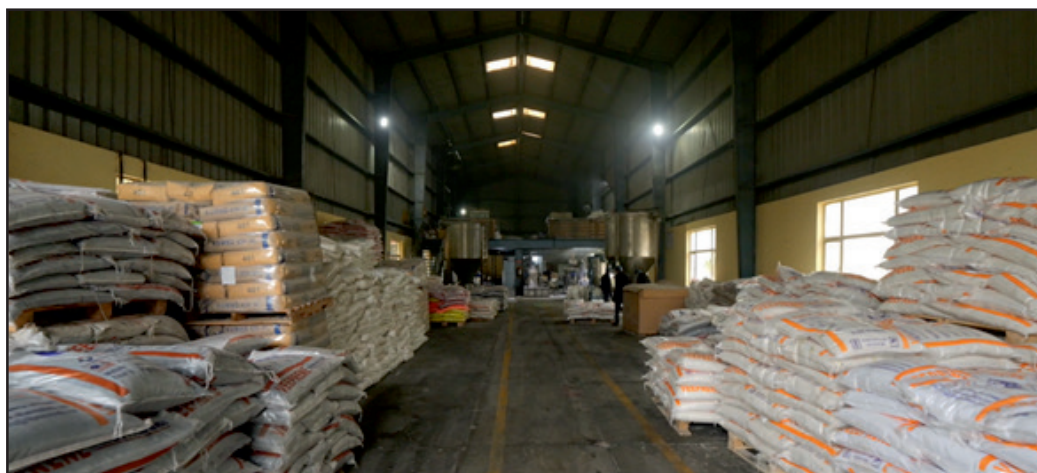
- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.

Figure Source: India Brand Equity Foundation

The Government of India has also taken several steps to increase the economic condition of the country. Some of these are:

- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM Gati Shakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM Gati Shakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.

Your Company being a producer of specialty chemicals and polymers compounds faced various challenges during the Covid-19 lockdown. In FY 2021-2022 company's products has started receiving pre-covid level response, receiving regular orders, enjoying healthy order book. The Company in order to cater to needs of its stakeholders has gradually been performing well in all their business segments.



### **Specialty Additives:**

Specialty additives are specialty chemicals which are indispensable for maintaining and improving the quality of synthetic resin at the time of production as well as during use. Your company offers an extensive range of food grade toxin-free, high-performance and niche additives for use in a variety of manufacturing applications.

Additives can also be used to improve the characteristics of polymers such as strength, luster, durability or heat sensitivity. We are committed to provide tailor-made solutions for specialized customer needs, developing customized product grades for specific requirements. Supported by our dedicated R&D team, we are also committed to offer a superior product for diverse end applications. Our products demonstrate reliability in our customers' production processes and deliver optimum performance to improve efficiency and profitability.

The following are the products that your Company manufactures as Specialty Additives:

#### **• Organotin Stabilizers**

Your Company is the first and only Indian company with an integrated in-house facility to produce FDA-approved Organotin Mercaptan (Methyl Tin Mercaptide) PVC heat stabilisers from tin metal ingots. These stabilizers are toxin-free and used widely in rigid and flexible PVC articles. Methyltin mercaptides are a family of organotin stabilizers commonly used for PVC drinking water pipe stabilization. Methyltin mercaptides have not been found to leach from PVC products as intact compounds. Organotin stabilisers are an eminent requirement for non-toxic and food-grade PVC articles meeting FDA compliant and high heat stability.



We are credited with establishing the first ones fully integrated state-of-the-art plant for Organotin stabilizers in India. Our in-house facility enables us to manufacture TTC (Tin Tetrachloride) - a vital raw material for Organotin stabilizers. Manufacturing Organotin stabilizers right from the tin metal stage, our products have high-efficacy and can be used in low dosages.

Your Company manufactures this product under the brand name "TINMATE".

#### **Salient Features of our Product**

- Non-toxic, Food Grade
- Highly effective tin metal based PVC heat stabilizer
- Designed for thermally stabilizing vinyl liquid formulations
- Provides excellent early colour & colour hold
- Enables long term heat stability
- Facilitates sparkling clarity and excellent transparency
- Imparts superior processing stability
- Effective in all types of PVC
- Good compatibility with other additives

The products of the Company have been certified by various global agencies, US Food & Drug Administration (FDA) being one of them.

#### • **Dimethyl Tin Dichloride**

Your Company manufactures high-performance Dimethyl Tin Dichloride (DMTDC) - a raw material for producing Organotin stabilizers.

Your Company manufactures this product under its brand name "THERMATE"

#### **Salient Features of our Product**

- High-performance glass coating material
- Catalyst for esterification

#### • **Plasticizers**

Vikas Ecotech is a leading producer of Epoxidized Soyabean Oil. We use a niche technique of converting waste cooking oil to this speciality plastic additive which acts as a plasticizer and a co-stabilizer. With a commitment to sustainability and reducing environmental impact, we ensure effective and optimum utilization of resources. Our eco-friendly products provide performance benefits and a cost advantage to customers.

Our state-of-the-art manufacturing plants backed by committed customer service and innovative product development make Vikas Ecotech a reliable partner for Food Grade plasticizers.

Your Company produces this product under its brand name "ADDFLEX"

#### **Salient Features of our Product**

- Synergistic, heat & light stabilizing additive
- High oxirane content for efficiency
- Imparts flexibility
- Controls migration due to its high molecular weight
- Compliments the conventional metallic stabilizer system
- Facilitates superior processing ability and cost reduction

#### • **Flame Retardants**

Your Company is the premier supplier of Aluminium Trihydrate (ATH) - a widely used flame retardant and smoke suppressant due to its versatility and low cost. ATH provides high-performing alternatives for manufacturers seeking halogen-free flame retardant additives.

These flame retardants enable environmentally compatible protection and less aggressive smoke in all types of rubber and plastic products. Our scientists have developed and formulated a wide variety of ATH grades that are customized to client and application-specific requirements. Vikas Ecotech's products help a diverse range of global customers comply with strict fire safety regulations with a competitive costing.

#### **Specialty Polymer Compounds:**

Your Company is a leading manufacturer of specialty rubber-plastic and polymer compounds for the global market.

The ability to create custom polymer compounds with specialty additives ensures highly developed chemical characteristics. Innovative technology, extensive processing knowledge and compounding experience has led Vikas Ecotech to gain a strong market leadership in the global market.

During the fiscal 2020, your Company earned all of its total revenue from the manufacturing of the polymer compounds. The products of your Company find application across diversified segments of consumer goods manufacturing, infrastructure construction, healthcare devices and automotive component manufacturing.

Thus, the Company is expected to grow its business exponentially in upcoming future years as the demand for such products will be higher than ever, thus creating more demand for the Company.

#### **Thermoplastic Rubber (TPR) Compounds**

Vikas Ecotech manufactures a broad range of differentiated TPR compounds. Our products and lab facilities are certified by SATRA, a leading technical authority for footwear and leather, setting standards for quality control.

Our range of products offers the key properties of elite quality rubber compounds with the easy processability of plastics. Such products are used in niche applications like orthopaedic footwear soles; ultra-fine cleaning bristles for micro-sized dusting brushes, sports goods etc. along with the conventional applications like footwear and other consumer goods. Your Company manufactures this product under its brand name "VEEPRENE"

- **Thermoplastic Elastomer (TPE) Compounds**

TPE compound comprises of hybrid properties of rubber and plastic and have excellent synergetic qualities. These compound find applications in a wide range of product manufacturing such as healthcare devices, auto component, industrial and household devices etc. Your Company manufactures this product under its brand name "VEEPRENE"

- **Ethylene Vinyl Acetate (EVA) Compounds**

Your Company's EVA compounds are widely used in injection and compression moulding of cross-linked foams. They are suitable for producing high quality footwear, midsoles, insoles, outsoles, sheets etc. Your Company produces this product under its brand name "VIKOLENE".

- **V-Blend Compounds**

Your Company has added a new product V-Blend (SEBS based) in their product list by the continuous R & D initiatives and Activities. V Blend are direct import substitutes and will replace the Poly Olefinic Elastomers which are being conventionally imported into the country from world leading names like LG, Du Pont, Dow, Exxon, Etc. Poly Olefinic Elastomers are specialized materials which are added to the base polymer compounds to enhance the physical properties like the tensile strength, the compression set, the anti-skid properties & to achieve a softer feel on the end products produced using polyolefins like PolyEthylene, Poly-Propylene, Ethelene Vinyl Acetate Etc. Our V-Blend {Elasto} series of new products is every way matching the results and performance of the best grades of the imported materials and additionally it will be significantly cost effective for the processors.

#### **Infra Product Business:**

To support Company's 'Infra Products' trading business and as a measure of backward integration, the Company has commissioned a Steel Pipe Fittings plant, which after trial production, went into commercial production. In the Infra business of your company, with increasing economic activities and governments thrust on infrastructure development, there is a huge demand of fittings by all major steel tube. Your company has been specifically focusing on growing its consumer products division, alongside continuously working to expand the offering to the conventional business segments, targeting to tap into the ever-growing business potential and the strong and steady demand for the infrastructural materials and products in India, which has a huge scope to offer opportunities for a long lasting and huge business growth.

#### **Tapping Into New Business Ventures:**







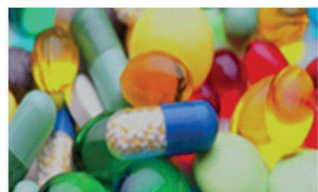




Your Company after achieving success in the area of manufacturing of Chemicals i.e. the Specialty Additives, Polymer compounds & Infra Products and now planning to venture and tap into Energy Business Segments.

#### **Tapping into Energy business:**

Your Company ventured into the energy business segment i.e. supplying of Coal. Vikas Ecotech Limited, in constant pursuit of expanding the product profile to newer and promising business segments, has been eyeing the energy business segment which has been the underpin for a fast and balanced growth for the Indian as well as the Global Economies. With recent crisis situation in the energy segment rooting from the Russia-Ukraine war whereas the daily global news including India have a pertinent component i.e., the global shortage of energy feedstock including the coal, has prompted the Business Development wing to tap into the energy business, which the team managed almost instantly. Under the umbrella of energy business Your Company has also been exploring opportunities in the renewable energy businesses like the Gas Distribution business, The Solar Power and the Hydrogen Cell power gensets for commercial applications.

### Market Potential:

The global coal power generation market demand was valued at 1,961.56 GW in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 1.6% from 2020 to 2028. The high energy demand is expected to drive the coal industry to generate electricity. Coal is a key product for electricity generation owing to its abundant availability and low cost compared to other electricity generation technologies. These factors are expected to propel the growth of the market during the forecast period. The supply chain of the coal power generation model was majorly affected due to the shutdown of production facilities owing to lockdowns imposed in the majority of the countries around the globe. In addition, local and international travel restrictions, quarantine requirements, and lockdowns further delayed the shipments of manufactured parts that were in process of delivery.

 <b>Agriculture</b>  <ul style="list-style-type: none"> <li>· Technology driven solution</li> <li>· Sustainable environment</li> </ul>	 <b>Automotive &amp; Allied</b>  <ul style="list-style-type: none"> <li>· Provides custom formulations</li> <li>· Caters to aftermarket accessory</li> </ul>	 <b>Food Packaging</b>  <ul style="list-style-type: none"> <li>· Leading provider of FDA approved additives</li> <li>· Ensures safety in food contact applications</li> </ul>
 <b>Footwear</b>  <ul style="list-style-type: none"> <li>· Specialty plastic compounder for footwear industry</li> <li>· Used in boots and others</li> </ul>	 <b>Healthcare &amp; Pharma</b>  <ul style="list-style-type: none"> <li>· Supplier for safety-critical medical products, devices &amp; packages</li> </ul>	 <b>Infrastructure</b>  <ul style="list-style-type: none"> <li>· Supplies toxin-free flame retardant additives</li> </ul>
 <b>Plastics &amp; Polymers</b>  <ul style="list-style-type: none"> <li>· Additives and compound</li> <li>· Supplier to plastic industry</li> </ul>	 <b>Wires &amp; Cables</b>  <ul style="list-style-type: none"> <li>· Imparts halogen free flame retardant in end products</li> </ul>	 <b>Other Industries</b>  <ul style="list-style-type: none"> <li>· Creation of custom compound for various industries</li> </ul>

### End use of our products & markets captured

#### Environmental Health and Safety

Chemicals have become an indispensable part of human life, sustaining activities and development, preventing and controlling many diseases, and increasing agricultural productivity. Despite their benefits, chemicals may, especially when misused, cause adverse effects on human health and environmental integrity. Widespread application of chemicals throughout the world increases the potential of adverse effects.

Growth of chemical industries, both in developing and in developed countries, is predicted to increase. In this context, it is recognized that the assessment and management of risks from exposure to chemicals is among the highest priorities in pursuing the principles of sustainable development.

### **Risks, Concerns, Internal Control Systems and their Adequacy**

The major risk that concerns the Company is its business risk. The Company is subjected to a high business risk in terms of its high dependability on other Industries for demand of its products carrying the nature of raw materials.

Periodic checks are carried out on all systems and processes as part of internal audit. The Audit Committee and Board also periodically reviews adequacy of Company's checks and controls for risk management. The Board has developed a Risk Management Policy which identifies elements of business & other risks involved and constantly work towards curbing the same. Adequacy of internal financial controls with reference to the Financial Statements is also assessed and reviewed periodically.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Statutory Auditors also evaluate the efficacy and adequacy of internal control systems including controls with respect to the financial statements, its compliance with operating systems, accounting procedures and policies in the Company. Corrective actions are undertaken basis findings of audits.

### **Human Resources**

The Company places utmost importance on maintaining cordial employer-employee relations as Human Resource Capital is the most valuable asset for any organization. A reward system has been developed by the Company to compensate efforts of all its employees adequately and recognize their contribution towards its growth. A remuneration policy has also been developed and adopted by the Company which provides for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. Key features of the policy are discussed as part of Board's Report and the policy is also available at website of the Company [www.vikasecotech.com](http://www.vikasecotech.com).

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### **Disclaimer**

Statements in the Management Discussions and Analysis describing the Company's objective, projections, estimates, expectations are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax, corporate and other applicable laws together with the other incidental factors.

## **NOTICE OF 38<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 38th Annual General Meeting of the Shareholders of Vikas Ecotech Limited will be held on Friday, September 29, 2023 at 4:30 P.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), to transact the following businesses:

### **ORDINARY BUSINESS**

**1. ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023:**

To consider and adopt the Audited Financial Statements for the Financial Year (FY) ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon and if thought fit, to pass, the following resolution as an *Ordinary Resolution*:

**"RESOLVED THAT** Audited Financial Statements of the Company for the financial year ended March 31, 2023, along with the reports of Board of Directors and Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

**2. TO APPOINT A DIRECTOR IN PLACE OF MR. VIKAS GARG (DIN: 00255413), MANAGING DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR REAPPOINTMENT:**

Based on the terms of appointment, executive and non-executive directors are subject to retirement by rotation, Mr. Vikas Garg (DIN: 00255413), who was appointed as Managing Director for the current term, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Vikas Garg (DIN: 00255413), Managing Director is required to retire by rotation, he would need to be reappointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass, with or without modification(s), the following resolution as an *Ordinary Resolution*:

**"RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for the reappointment of Mr. Vikas Garg (DIN: 00255413), Managing Director as such, to the extent that he is required to retire by rotation."

### **SPECIAL BUSINESS**

**3. APPOINTMENT OF MR. RAJEEV KUMAR (DIN: 10271754) AS A DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications) or re-enactment thereof for the time being in force), Mr. Rajeev Kumar (DIN: 10271754) who was appointed as Additional Director by the Board of Directors on August 10, 2023 in terms of Section 161 of the Companies Act 2013, and whose appointment as a Director is recommended by Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing him candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation on such terms and conditions as may be determined by the Board of Directors of the Company from time to time.

**RESOLVED FURTHER THAT** any of the Directors and/or Key Managerial Personnel (KMPs) be and are hereby severally authorized to file forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

**4. APPOINTMENT OF MR. RAJEEV KUMAR (DIN: 10271754) AS WHOLE TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 ("the Act") and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of the Act and/or the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and consent of the members of the Company be and is hereby accorded to the appointment of Mr. Rajeev Kumar (DIN: 10271754), designated as "Director, under executive category, as a wholetime director for a term of five consecutive years effective from August 10, 2023 to August 9, 2028 on the terms and conditions of appointment and remuneration as contained in the material terms, which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of appointment and

remuneration so as to not exceed the limits specified in Schedule V to the Act, as may be agreed to by the Board of Directors of the Company from time to time.

**RESOLVED FURTHER THAT**, Mr. Rajeev Kumar appointed as Director of the Company shall be liable to retire by rotation and being eligible offers himself for reappointment and the reappointment as such shall not be deemed to constitute a break in his office as Director of the Company.

**RESOLVED FURTHER THAT**, in the event of any statutory amendment, modification or relaxation by the Central Government to schedule V to the Companies Act, 2013, or as a part of periodic review, on the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors or a Committee thereof be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances, etc. and the said terms of remuneration of Mr. Rajeev Kumar (DIN: 10271754) be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting

**RESOLVED FURTHER THAT**, any of the Directors and/or Key Managerial Personnel (KMPs) be and are hereby severally authorized to file forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

#### **5. APPOINTMENT OF MR. BALWANT KUMAR BHUSHAN (DIN: 09840934) AS A DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications) or re-enactment thereof for the time being in force), Mr. Balwant Kumar Bhushan (DIN: 09840934) who was appointed as Additional Director by the Board of Directors on May 13, 2023 in terms of Section 161 of the Companies Act 2013, and whose appointment as a Director is recommended by Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing him candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation on such terms and conditions as may be determined by the Board of Directors of the Company from time to time.

**RESOLVED FUTHER THAT** any of the Directors and/or Key Managerial Personnel (KMPs) be and are hereby severally authorized to file forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

#### **6. APPOINTMENT OF MR. BALWANT KUMAR BHUSHAN (DIN: 09840934) AS WHOLE TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 ("the Act") and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of the Act and/or the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and consent of the members of the Company be and is hereby accorded to the appointment of Mr. Balwant Kumar Bhushan (DIN: 09840934), designated as "Director, under executive category, as a Whole-Time Director for a term of five consecutive years effective from May 13, 2023 to May 12, 2028 on the terms and conditions of appointment and remuneration as contained in the material terms, which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Act, as may be agreed to by the Board of Directors of the Company from time to time.

**RESOLVED FUTHER THAT** Mr. Balwant Kumar Bhushan (DIN: 09840934) appointed as Director of the Company shall be liable to retire by rotation and being eligible offers himself for reappointment and the reappointment as such shall not be deemed to constitute a break in his office as Director of the Company.

**RESOLVED FUTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to schedule V to the Companies Act, 2013, or as a part of periodic review, on the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors or a Committee thereof be and is hereby authorised to vary or increase the remuneration including salary, perquisites, allowances, etc. and the said terms of remuneration of Mr. Balwant Kumar Bhushan (DIN: 09840934) be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

**RESOLVED FURTHER THAT** any of the Directors and/or Key Managerial Personnel (KMPs) be and are hereby severally authorized to file forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

**7. INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY AND CONSEQUENT ALTERATION IN CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and reenactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 150,00,00,000/- (One Hundred and Fifty Crore) consisting of 150,00,00,000 (One Hundred and Fifty Crore) Equity Shares of Re.1/- (Rupee One) each to Rs. 200,00,00,000/- (Two Hundred Crore) consisting of 200,00,00,000 (Two Hundred Crore) Equity Shares of Re.1/- (Rupee One) each.

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

*V. The Authorized Share Capital of the Company is Rs. 200,00,00,000/- (Rupees Two Hundred Crore consisting of 200,00,00,000 (Two Hundred Crore) Equity Shares of face value of Re. 1/- (Rupee One) each.*

**RESOLVED FURTHER THAT** any Director and/or Key Managerial Personnel (KMPs) of the Company be and is hereby severally authorized to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution."

**8. TO APPROVE PREFERENTIAL ALLOTMENT OF UPTO 10,00,00,000 (TEN CRORES ONLY) FULLY CONVERTIBLE WARRANTS TO THE PERSON BELONGING TO THE PROMOTER CATEGORY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Companies Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended and other relevant rules made there under including any statutory modification(s) thereto or re-enactment thereof for the time being in force, enabling provisions in Memorandum and Articles of Association of the Company, provisions of the listing agreement executed with the Stock Exchanges, where the shares of the Company are listed ("Stock Exchange"), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI"), as amended including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended, the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ("Takeover Regulations") as amended, the Foreign Exchange Management Act, 1999 as amended and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the Reserve Bank of India ("RBI"), Ministry of Corporate Affairs, SEBI and / or any other competent authorities, and subject to the approvals, consents, permissions and / or sanctions, as may be required from the Government of India, SEBI, RBI, Stock Exchange, and any other relevant statutory, regulatory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, which the Board has constituted or may hereafter constitute, to exercise one or more of its powers, including the powers conferred hereunder), consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, on a preferential basis, up to 10,00,00,000 (Ten Crores Only) Fully Convertible Warrants ("Warrants") carrying a right exercisable by the Warrant holder to subscribe to one Equity Share of face value of Re. 1/- (Rupee One Only) each per Warrant, to person belonging to 'Promoter Category', at an issue price of Rs. 3.40/- (Rupees Three and Forty Paise Only) in accordance with the provisions of Chapter V of SEBI ICDR Regulations, for an aggregate amount of up to Rs. 34,00,00,000/- (Rupees Thirty-Four Crores only), on such further terms and conditions as detailed herein below, to the below mentioned person ("Proposed Allottee"):

S. No.	Name of Proposed Allottee	Category	Warrants Quantity*
1	Mr. Vikas Garg	Promoter and Managing Director	10,00,00,000
<b>Total</b>			<b>10,00,00,000</b>

\*maximum quantity of warrants proposed to be allotted to respective allottee in the proposed Preferential Issue

**RESOLVED FURTHER THAT** the 'Relevant Date', as per the provisions of Chapter V of the SEBI ICDR Regulations for the purpose of determining the minimum issue price of the Warrants proposed to be allotted to the above mentioned allottees is Wednesday, August 30, 2023 (i.e. being the date, which is 30 days prior to the date of shareholder's meeting which is scheduled on September 29, 2023).

**RESOLVED FURTHER THAT** aforesaid issue of Warrants shall be subject to the following terms and conditions:

- a) The conversion of warrants into equity shares is to be done on or before the expiry of eighteen (18) months from the date of allotment of warrants in terms of SEBI ICDR Regulations.
- b) The Proposed Allottee(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the Warrant Issue Price fixed per Warrant in terms of the SEBI ICDR Regulations which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The balance 75% of the Warrant Issue Price shall be payable by the Warrant Holder at the time of exercising the Warrants.
- c) Warrants, being allotted to the Proposed Allottee(s) and the Equity Shares proposed to be allotted pursuant to the conversion of these Warrants shall be under lock- in for such period as may be prescribed under SEBI ICDR Regulations.
- d) Warrants so allotted under this resolution shall not be sold, transferred, hypothecated, or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.
- e) Warrants, being allotted to the Proposed Allottees, at the discretion of Board of Directors or Board Committee, may be listed on the Stock Exchanges in terms of Chapter V of SEBI (ICDR) Regulations.
- f) Warrants shall be issued and allotted by the Company only in dematerialized form within a period of 15 days from the date of passing a Special Resolution by the members, provided that where the issue and allotment of said warrants is pending on account of pendency of any approval for such issue and allotment by the Stock Exchange(s) and/or Regulatory Authorities, or Central Government, the issue and allotment shall be completed within the period of 15 days from the date of last such approval or within such further period/s as may be prescribed or allowed by the SEBI, the Stock Exchange(s) and/or Regulatory Authorities etc.
- g) Warrants shall be issued and allotted by the Company only in dematerialized form.
- h) The consideration for allotment of Warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the bank account of the Proposed Allottee(s).
- i) In the event the Warrant Holder(s) do not exercise Warrants within the Warrant Exercise Period of 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- j) Upon exercise of the option to convert the convertible Warrants within the tenure specified above, the Company shall ensure that the allotment of equity shares pursuant to exercise of the convertible Warrants is completed within 15 days from the date of such exercise by the allottee of such warrants.
- k) The Warrants by itself until converted into Equity Shares, do not give to the Warrant Holder any voting rights in the Company in respect of such Warrants. However, warrants holders shall be entitled to any corporate action such as issuance of bonus shares, right issue, split or consolidation of shares etc. announced by the Company between the date of warrants allotment and their conversion into Equity Shares."

**RESOLVED FURTHER THAT** the Equity Shares proposed to be so allotted upon conversion of Warrants shall rank pari-passu in all respects including as to dividend, with the existing fully paid-up Equity Shares of face value of Re. 1/- (Rupee One Only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company and/or any Committee constituted by the Board for this purpose and/or Executive Director and/or Company Secretary & Compliance Officer of the Company be and are hereby authorized severally on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary,

desirable or expedient, including without limitation to make application to Stock Exchange for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders/board.

**RESOLVED FURTHER THAT** in connection with any of the foregoing resolutions, the Board of Directors/ Committee(s) of the Board and/or Executive Director and/or Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to execute and deliver any and all other documents, papers and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the preferential issue; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized severally to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of directors or the Managing Director or any director(s) or any other Key Managerial Personnel or any other officer(s) of the Company.”

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

**Vikas Garg  
Managing Director  
DIN: 00255413**

**Place: New Delhi  
Date: August 31, 2023**

## EXPLANATORY STATEMENT

### ITEM NO. 3

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Rajeev Kumar (DIN: 10271754), was appointed as an Additional Director on the Board of the Company with effect from August 10, 2023. In terms of Section 161 of the Companies Act, 2013, they are eligible to hold office only up to the conclusion of the ensuing Annual General Meeting.

The Board based on the recommendation of Nomination and Compensation Committee, is of the view that the appointment of Mr. Rajeev Kumar as a Director of the Company is desirable and would be beneficial to the Company. Mr. Rajeev Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Directors recommended the appointment of Mr. Rajeev Kumar, who being eligible offered himself for appointment. Every Director has to be appointed by the Company in General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013. Therefore, the Board proposes to obtain the approval of shareholders by way of passing an Ordinary Resolution.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Rajeev Kumar, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out in the Notice, except to the extent of their shareholding, if any.

### ITEM NO. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company in its meeting held on August 10, 2023, appointed Mr. Rajeev Kumar (DIN: 10271754) as Whole time Director of the Company, liable to retire by rotation, for a period of five years effective from August 10, 2023 itself, subject to approval of the Shareholders.

The Board, while appointing Mr. Rajeev Kumar (DIN: 10271754) as Whole time Director of the Company, considered his rich background and experience. Mr. Rajeev Kumar holds Bachelor in Arts from Sam Higginbottom Institute of Agriculture, Allahabad University and having wide experience of 20 years in the field in handling Strategic planning and Commercial projects.

The brief profile and specific areas of expertise of Mr. Rajeev Kumar (DIN: 10271754) are provided as Annexure A to this Notice.

The main terms and conditions relating to the appointment and remuneration of Mr. Rajeev Kumar as Whole time Director of the Company are as follows:

#### (1) Term of Appointment:

For a period of 5 years i.e. from August 10, 2023 to August 9, 2028.

#### (2) Nature of Duties:

Mr. Rajeev Kumar shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

#### (3) A. Remuneration

Remuneration upto Rs. 9,00,000/- (Rupees Nine Lakhs only) per annum including base salary, variable pay, perquisites, various allowances, bonus & other benefits etc., to be increased by inflationary standard annually based on the recommendations of the Nomination and Remuneration Committee ('NRC'). The recommendation of NRC will be based on Company performance and individual performance.

#### B. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Rajeev Kumar, the Company has no profits or its profits are inadequate, the Company will pay him aforesaid remuneration as minimum remuneration in terms Part II of Schedule V of Companies Act, 2013 by way of salary, benefits and perquisites and allowances, bonus etc. as approved by the Board.

**(4) Other Terms of Appointment:**

- a. The Whole time Director so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- b. The terms and conditions of the appointment of the Whole time Director and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Whole time Director, subject to such approvals as may be required.
- c. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Whole time Director unless specifically provided otherwise.
- d. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/ Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.

Further, the employment may be terminated by the Company without notice or payment in lieu of notice, if he is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations, instructions of the Board or in the event the Board expresses its loss of confidence in the Designation.

- e. The terms and conditions of appointment of Whole time Director also include clauses pertaining to adherence to the Company's Code of Conduct, protection and use of intellectual property, noncompetition, non-solicitation post termination of agreement and maintenance of confidentiality etc.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the Nomination and Remuneration Committee, approval of the Members is sought for the appointment and remuneration of Mr. Rajeev Kumar as Whole time Director as set out above. The Board recommends the Resolution set forth in Item No. 4 for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Rajeev Kumar, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice, except to the extent of their shareholding, if any.

**ITEM NO. 5**

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Balwant Kumar Bhushan (DIN: 09840934), was appointed as an Additional Director on the Board of the Company with effect from May 13, 2023. In terms of Section 161 of the Companies Act, 2013, they are eligible to hold office only up to the conclusion of the ensuing Annual General Meeting.

The Board based on the recommendation of Nomination and Compensation Committee, is of the view that the appointment of Mr. Balwant Kumar Bhushan as a Director of the Company is desirable and would be beneficial to the Company. Mr. Balwant Kumar Bhushan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Directors recommended the appointment of Mr. Balwant Kumar Bhushan (DIN: 09840934), who being eligible offered himself for appointment. Every Director has to be appointed by the Company in General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013. Therefore, the Board proposes to obtain the approval of shareholders by way of passing an Ordinary Resolution. The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Balwant Kumar Bhushan, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out in the Notice, except to the extent of their shareholding, if any.

**ITEM NO. 6**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company in its meeting held on May 13, 2023, appointed Mr. Balwant Kumar Bhushan (DIN: 09840934) as Whole time Director of the Company, liable to retire by rotation, for a period of five years effective from May 13, 2023 itself, subject to approval of the Shareholders.

The Board, while appointing Mr. Balwant Kumar Bhushan as Whole time Director of the Company, considered his rich

background and experience. Mr. Balwant Kumar Bhushan having rich experience in the field of Accounts/Finance/Internal Audit/Taxation. He is also having good knowledge of Corporate Law, Strategic/Financial Planning, Working Capital Management, Filings, Statutory Compliances and MIS among other aspects of Corporate functioning.

The brief profile and specific areas of expertise of Mr. Balwant Kumar Bhushan (DIN: 09840934) are provided as Annexure A to this Notice.

The main terms and conditions relating to the appointment and remuneration of Mr. Balwant Kumar Bhushan as Whole time Director of the Company are as follows:

**(1) Term of Appointment:**

For a period of 5 years i.e. from May 13, 2023 to May 12, 2028.

**(2) Nature of Duties:**

Mr. Balwant Kumar Bhushan shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

**(3) A. Remuneration**

Remuneration upto Rs. 8,00,000/- (Rupees Eight Lakhs only) per annum including base salary, variable pay, perquisites, various allowances, bonus & other benefits etc., to be increased by inflationary standard annually based on the recommendations of the Nomination and Remuneration Committee ('NRC'). The recommendation of NRC will be based on Company performance and individual performance.

**B. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Balwant Kumar Bhushan (DIN: 09840934), the Company has no profits or its profits are inadequate, the Company will pay him aforesaid remuneration as minimum remuneration in terms Part II of Schedule V of Companies Act, 2013 by way of salary, benefits and perquisites and allowances, bonus etc. as approved by the Board.

**(4) Other Terms of Appointment:**

- a. The Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- b. The terms and conditions of the appointment of the Whole time Director and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Whole time Director, subject to such approvals as may be required.
- c. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Whole time Director unless specifically provided otherwise.
- d. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/ Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.

Further, the employment of the Director may be terminated by the Company without notice or payment in lieu of notice, if he is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations, instructions of the Board or in the event the Board expresses its loss of confidence in the Director.

- e. The terms and conditions of appointment of Director also include clauses pertaining to adherence to the Company's Code of Conduct, protection and use of intellectual property, noncompetition, non-solicitation post termination of agreement and maintenance of confidentiality etc

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the Nomination and Remuneration Committee, approval of the Members is sought for the appointment and remuneration of Mr. Balwant Kumar Bhushan as Whole time Director as set out above. The Board recommends the Resolution set forth in Item No. 6 for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Balwant Kumar Bhushan to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice, except to the extent of their shareholding, if any.

#### **ITEM NO. 7**

The present Authorized Share Capital of the Company is Rs. 150,00,00,000/- (One Hundred and Fifty Crore) consisting of 150,00,00,000 (One Hundred and Fifty Crore) Equity Shares of Re.1/- (Rupee One) each.

Considering the further fund requirement of the Company, the Board at its Meeting held on August, 31, 2021 proposed to increase its Authorized Share Capital from Rs. 150,00,00,000/- (One Hundred and Fifty Crore) to Rs. 200,00,00,000 (Two Hundred Crore) by creation of 50,00,00,000 (Fifty Crore) additional equity shares of Re. 1/- (Rupee one) each to facilitate fund raising in future via issuance of equity shares and other convertible securities.

The increase in the Authorized Share Capital of the Company will also require consequential amendment to Clause V of the Memorandum of Association of the Company and pursuant to Sections 13 and 61 the Companies Act, 2013, alteration of the Capital clause requires approval of the members of the Company by way of passing a Special Resolution to that effect.

The Board of Directors of your Company, therefore, recommend the Resolution set out in item No. 7 of this Notice for the approval of the members by way of passing a Special Resolution. None of the Director(s), Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their shareholding.

#### **ITEM NO. 8**

The Special Resolution contained in Item No. 7 of the notice, has been proposed pursuant to the provisions of Sections 42 and 62 of the Companies Act, 2013, to issue and allot up to 10,00,00,000 (Ten Crores Only) Fully Convertible Warrants ("Warrants") carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant, to person belonging to 'Promoter Category', on preferential basis, at an issue price of Rs. 3.40/- (Rupees Three and Forty Paise Only) in accordance with the provisions of Chapter V of SEBI ICDR Regulations, for an aggregate amount of up to Rs. 34,00,00,000/- (Rupees Thirty-Four Crores only).

The proposed Preferential Issue is to be issued to the person belonging to 'Promoter Category' as per the details disclosed in the respective resolution. The preferential issue shall be made in terms of Chapter V of the SEBI ICDR Regulations, 2018 and applicable provisions of Companies Act, 2013. The said proposal has been considered and approved by the Board in its meeting held on August 31, 2023.

The approval of the members is accordingly being sought by way of passing a 'Special Resolution' under Sections 42, and 62(1)(c) of the Companies Act, 2013, read with the rules made thereunder, and Regulation 160 of the SEBI ICDR Regulations for Item No. 1 of the Notice.

The details of the issue and other particulars as required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, in terms of BSE Notice No. 20221213-47 and NSE Circular No. NSE/CML/2022/56 dated December 13, 2022 with respect to the additional disclosures for objects of the issue and Regulation 163 of the SEBI (ICDR), Regulations are set forth below:

- I. Particulars of the offer including date of passing of Board resolution, kind of Securities offered, maximum number of Securities to be issued, manner of issue of shares, class or classes of persons to whom allotment is proposed to be made and the Issue Price

The Board of Directors at its meeting held on August 31, 2023 has, subject to the approval of the Members and such other approvals as may be required, approved the issuance and allotment of up to 10,00,00,000 (Ten Crores Only) Fully Convertible Warrants at an issue price of Rs. 3.40/- (Rupees Three and Forty Paise Only) for an aggregate amount of up to Rs. 34,00,00,000/- (Rupees Thirty-Four Crores only) for cash, by way of a preferential issue to the person belonging to 'Promoter Category'.

- II. Objects of the Preferential Issue

Objects of the proposed Fund Raising under separate head:

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following:

- (a) working capital requirements, including repayment or prepayment thereof, meeting various expenditure of the Company including contingencies;
- (b) capital expenditure, including towards development, refurbishment and renovation of our assets
- (c) any other cost incurred towards the main business objects of the Company; and

- (d) financing of business opportunities, strategic initiatives; and/or
- (e) general corporate purpose

The Proceeds are proposed to be deployed towards the purpose set out above and not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose: (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, are not applicable.

Though the requirement stipulated by BSE Notice No. 20221213-47 and NSE Circular No. NSE/CML/2022/56 dated December 13, 2022 with respect to the additional disclosures for objects of the issue is not applicable as the issue size of the preferential issue is less than Rs. 100 Crores.

#### Schedule of Implementation and Deployment of Funds

Since present preferential issue is for convertible warrants, issue proceeds shall be received by the Company in 18 months period from the date of allotment of warrants in terms of Chapter V of the SEBI (ICDR) Regulation, and as estimated by our management, the entire proceeds received from the issue would be utilized for the all the above-mentioned objects, in phases, as per the company's business requirements and availability of issue proceeds, latest by August, 2025.

#### Interim Use of Proceeds

Our management will have flexibility in deploying the Proceeds received by our Company from the Preferential Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

### III. Relevant Date

In terms of the provisions of Chapter V of the SEBI ICDR Regulations, the Relevant Date for determining the floor price for the Preferential Allotment of warrants is Wednesday, August 30, 2023 (i.e. being the date, which is 30 days prior to the date of shareholder's meeting which is scheduled on September 29, 2023).

### IV. Basis on which the price has been arrived at and justification for the price (including premium, if any);

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, being the Stock Exchange with higher trading volumes for the preceding ninety trading days prior to the Relevant Date, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations. Also, the allotment to the proposed allottees belonging to Public Category would be more than 5% of the post issue fully diluted share capital. Thus, in compliance with the Regulation 166A of the SEBI (ICDR) Regulations, 2015 as the preferential issue to the proposed allottees is more than 5% of the post issue fully diluted share capital of the Company, the minimum issue price per warrant is higher of the price determined through following methods was considered:

- a) The Equity Shares of the Company are listed on NSE and are frequently traded as per provisions of ICDR Regulations. In terms of the provisions of Regulation 164 of the SEBI ICDR Regulations, the minimum price at which the warrants may be issued computes to Rs. 3.16/- each.
- b) The price determined through Valuation report of Mr. Angad Singh, Registered valuer (IBBI/RV/03/2021/14621) i.e., Rs. 3.08/- per warrant. The said report is available on the website of the Company at [www.vikasecotech.com](http://www.vikasecotech.com).
- c) Method of determination of price as per the Articles of Association of the Company – Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/ minimum price of the shares issued on preferential basis

After considering the above, management of the company decided to issue these warrants to be allotted on preferential basis to the proposed allottees at a price of Rs. 3.40/- (Rupees Three and Forty Paise Only) each.

### V. Amount which the company intends to raise by way of such securities;

Aggregate amount of up to Rs. 34,00,00,000/- (Rupees Thirty-Four Crores only)

### VI. Name and address of valuer who performed valuation;

Mr. Angad, 4746, Sector-125, New Sunny Enclave, Mohali – 140301, Punjab, Registered valuer (IBBI Regd. No. IBBI/RV/03/2021/14261)

- VII. Principal terms of Assets charged as securities: Not Applicable
- VIII. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not Applicable
- IX. Valuation for consideration other than cash: Not Applicable
- X. The intent of the promoters, directors or key management personnel of the issuer to subscribe to the offer:

The Promoter of the Company are subscribing to the issue to the extent of number of warrants proposed to be issued written against their names as detailed in the following table:

Name	Category	No. of Warrants
Mr. Vikas Garg	Promoter and Managing Director	10,00,00,000

- XI. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects: Nil
- XII. The Shareholding Pattern of the issuer before and after the preferential issue

Category	Pre-Issue Shareholding Structure Category		Warrants to be allotted	Post Issue Shareholding (Presuming full conversion of Warrants)	
	No. of shares	%		No. of shares	%
A) Promoter Shareholding					
Indian					
a) Individuals & HUF	7,99,16,333	7.09	10,00,00,000	17,99,16,333	14.66
b) Body Corporates	40,98,298	0.36	-	40,98,298	0.33
c) Any Other(specify) (Trust)	44,56,550	0.40	-	44,56,550	0.36
Sub Total (A)(1)	8,84,71,181	7.85	10,00,00,000	18,84,71,181	15.35
2) Foreign Promoters	-	-	-	-	-
Total Promoter Shareholding A=A1 A2	8,84,71,181	7.85	10,00,00,000	18,84,71,181	15.35
B) Public Shareholding					
B1) Institutional Investors	17,10,57,613	15.18	-	17,10,57,613	13.94
B2) Central Govt./Stat Govt./POI	-	-	-	-	-
B3 Others					
a) Individuals	80,66,82,576	71.57	-	80,66,82,576	65.75
b) Body Corporate	2,65,45,488	2.36	-	2,65,45,488	2.16
c)Others (Including NRI, HUF, Clearing Members)	3,43,19,166	3.04	-	3,43,19,166	2.80
Total Public Shareholding B=B1+B2+ B3	103,86,04,843	92.15	-	103,86,04,843	84.65
C) Non-Promoter - Non-Public	-	-	-	-	-
Grand Total (A+B+C)	112,70,76,024	100.00	10,00,00,000	122,70,76,024	100.00

Notes:

(1) The pre-issue shareholding pattern is as on the basis of latest shareholding pattern filed quarter ended June 30, 2023

(2) Post shareholding structure may change depending upon any other corporate action in between.

- XIII. Proposed time limit within which the allotment shall be completed:

In terms of Regulation 170 of the SEBI ICDR Regulations, preferential allotment of said warrants will be completed within a period of 15 (fifteen) days from the date of passing of such resolution i.e. September 29, 2023 provided that where the issue and allotment of said warrants is pending on account of pendency of any approval for such issue and allotment by the Stock Exchange(s) and/or Regulatory Authorities, or Central Government, the issue and allotment shall be completed within the period of 15 days from the date of last such approval or within such further period/s as may be prescribed or allowed by the SEBI, the Stock Exchange(s) and/or Regulatory Authorities etc.

- XIV. Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

The Company has not made any preferential allotment during the period from April 1, 2023 till the date of this Notice.

- XV. The identity of the natural persons who are the ultimate beneficial owners of the securities proposed to be allotted and/or who ultimately control the proposed allottee(s):

S. No.	Name of proposed allottee	Category	Type of securities	Name of Ultimate Beneficial Owner
1	Mr. Vikas Garg	Promoter and Managing Director	Warrants	Not Applicable*

\*Being allottee a natural Person

- XVI. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue

Category	Pre-Issue Shareholding Structure Category		Warrants to be allotted	Post Issue Shareholding (Presuming full conversion of Warrants)	
	No. of shares	%		No. of shares	%
Mr. Vikas Garg	7,86,43,933	6.98	10,00,00,000	17,86,43,933	14.56

Thus, there will be no change in the control or management of the Company pursuant to the proposed preferential issue. However, voting rights will change in tandem with the shareholding pattern.

- XVII. Lock-in Period:

- The warrants to be allotted shall be subject to lock-in in accordance with Chapter V of the SEBI ICDR Regulations.
- The entire pre-preferential allotment shareholding, if any, of the Proposed Allottees, shall be locked in as per Chapter V of the SEBI ICDR Regulations.

- XVIII. Undertakings:

- None of the Company, its Directors or Promoters are categorized as wilful defaulter(s) or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by Reserve Bank of India. Consequently, the undertaking required under Regulation 163(1)(i) is not applicable.
- None of its Directors or Promoters is fugitive economic offenders as defined under the SEBI ICDR Regulations.
- As the equity shares have been listed on a recognized Stock Exchange(s) for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable. Consequently, the undertaking required under Regulation 163(1)(g) and Regulation 163(1)(h) is not applicable.
- None of the allottees have sold or transferred any Equity Shares during the 90 trading days preceding the relevant date.

- XIX. Disclosures specified in Schedule VI of ICDR Regulations, if the issuer or any of its promoters or directors is a wilful defaulter or fraudulent borrower: Not Applicable

- XX. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:

Name of the Allottees	Current Status	Post Status
Mr. Vikas Garg	Promoter	Promoter

- XXI. Practicing Company Secretary's Certificate:

The certificate from M/s. Kumar G & Co., Practicing Company Secretaries, certifying that the preferential issue of warrants is being made in accordance with requirements of Chapter V of SEBI ICDR Regulations has been obtained considering the said preferential issue. The copy of said certificate may be accessed on the Company's website [www.vikasecotech.com](http://www.vikasecotech.com)

XXII. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is/ are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 8 of this Notice except to the extent of their respective shareholding entitlements in the Company, if any.

The Board of Directors recommends the resolutions as set out in Item No. 8 of this notice for the issue of warrants on a preferential basis, to the proposed allottees by way of Special Resolution.

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

**Place: New Delhi  
Date: August 31, 2023**

**Vikas Garg  
Managing Director  
DIN: 00255413**

**NOTES:**

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated May 5, 2020 and December 28, 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 38th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, National Securities Depository Limited (NSDL) will be providing facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. 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.
7. The Register of Members and Share Transfer Books shall remain closed from September 23, 2023 to September 29, 2023 (both days inclusive) for the purpose of annual closing and for the 38th Annual General Meeting of the Company.
8. The Company has appointed M/s Kumar G & Co., a Practicing Company Secretary, 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. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.vikasecotech.com](http://www.vikasecotech.com) The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. A copy of the Financial Statements along with the Auditor's Report, Board's Report and such other matters necessary for the shareholders is annexed to the notice in the Annual Report. Electronic copy of the Annual Report for 2022-23 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participants(s) for communication. The Annual Report may also be accessed on the Company's Corporate Website [www.vikasecotech.com](http://www.vikasecotech.com).

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, September 26, 2023 at 09:00 A.M. and ends on Thursday, September 28, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 22, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 22, 2023.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
	<ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting..</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

- B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for

which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote..

#### General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kumargpankaj@gmail.com](mailto:kumargpankaj@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@vikasecotech.com](mailto:cs@vikasecotech.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@vikasecotech.com](mailto:cs@vikasecotech.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number [cs@vikasecotech.com](mailto:cs@vikasecotech.com). The same will be replied by the company suitably.
6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
8. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**Annexure-A**

Information of Director seeking appointment/re-appointment under item no. 2, 3, 4, 5 & 6 of the Notice convening 38th Annual General Meeting of the Company in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings.

Name of Director	No. of Shares held	Qualification	Nature of Expertise	Name of other Companies in which he/ she holds Directorship
Mr. Vikas Garg	7,86,43,933	Ph.d	Rich experience of than 25+ years and has partnered with the company in building a people focused and customer centric organization. He is an accomplished leader with in-depth business knowledge.	Vikas Ecotech Limited Genesis Gas Solutions Private Limited Advik Capital Limited
Mr. Rajeev Kumar	NIL	Bachelor in Arts	Bachelor in Arts from Sam Higginbottom Institute of Agriculture, Allahabad University and having vide experience of 20 years in the field in handling Strategic planning and Commercial projects.	NIL
Mr. Balwant Kumar Bhushan	NIL	Bachelor of Commerce	Rich experience in the field of Accounts/Finance/Internal Audit/ Taxation. He is also having good knowledge of Corporate Law, Strategic/Financial Planning, Working Capital Management, Filings, Statutory Compliances and MIS among other aspects of Corporate functioning.	NIL

By order of the Board  
For Vikas Ecotech Limited

Vikas Garg  
Managing Director  
DIN: 00255413

Place: New Delhi  
Date: August 31, 2023

## BOARD'S REPORT

Dear Members,

Your directors' take pleasure in presenting the 38th (Thirty-Eight) Annual Report on the business and operations of Vikas Ecotech Limited ("the Company") along with the Audited Financial Statements for the year ended March 31, 2023.

### COMPANY OVERVIEW

*Vikas Ecotech Limited established in the year 1984, primarily engaged in the business of manufacturing of Specialty Chemicals focused on Specialty Chemical Additives and Specialty Polymer Compounds. Our Company is also ISO 9001:2015 certified company. Over the years, we have established ourselves as a successful manufacturer of Specialty Chemicals Additives and Specialty Polymer Compound. Our products cater various industries such as agriculture and infrastructure, packaging, organic and inorganic chemicals, electrical, FMCG, footwear, pharmaceuticals, automotive, medical devices and components and other consumer goods.*

### FINANCIAL PERFORMANCE

The financial performance of the Company for the year 2022-23 is summarized below:

(Rupees in Lacs)

Particulars	2022-23	2021-22
Net Sales /Income from Business Operations	40,266.89	25,042.40
Other Income	317.80	173.31
Total Income	40,584.69	25,215.71
Cost of material consumed	13,894.21	9,998.25
Purchase of traded goods	22,482.17	11,691.80
Inventories of finished goods, WIP, traded goods	18.05	52.34
Employee Benefit Expense	254.76	234.09
Financial Costs	1064.11	1908.61
Other Expenses	1425.65	773.81
Depreciation	396.19	360.34
Profit before Exceptional items	1048.96	209.46
Less: Exceptional items		-
Net Profit/Loss Before Tax	1048.96	209.46
Less: Current Tax	58.94	(3.70)
Less: Previous year adjustment of Income Tax	37.08	62.35
Less: Deferred Tax	0.23	11.57
Profit/Loss for the Period	952.72	139.24
Basic and Diluted Earnings Per Share	0.10	0.02

During the year under review, the Company achieved a turnover of Rs. 40,266.89 Lacs as against Rs. 25,042.40 Lacs for previous year whereas, the profit of the Company for the period under review were Rs. 952.72 Lacs as compared to profit of the company Rs. 139.24 Lacs in the previous year. However your management is optimistic to achieve more profits in near future and register good volumes with profitability.

The financial statements for the year ended March 31, 2023, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs..

### CAPITAL STRUCTURE

#### Authorized Share Capital

The Authorized Share Capital of the Company as on March 31, 2023 was Rs. 150,00,00,000 divided into 150,00,00,000 Equity Shares of Re.1 each.

#### Paid-up Share Capital

As on March 31, 2023, the Issued and Paid-up Share Capital of the Company stood at Rs. 112,70,76,024/- divided into 112,70,76,024 fully paid-up equity shares of face value of Re. 1/- per share.

During the year under review, pursuant to members' approval, stock exchanges and other statutory approvals, the

Company has issued certain equity shares on Right basis to its existing shareholders as detailed herein below:

Particulars	Issue of Securities on Right basis to raise funds up to Rs. 50 Cr
	Partly Paid up Equity Shares (On Application)
Date of Board Approval	August 31, 2021
Date of members approval	September 27, 2021
Issue Size	Rs. 49,44,14,786/-
No. of Shares to be issued	30,90,09,241
Rights Entitlement Ratio	12:25
Issue Price	Rs. 0.80/-per share (Including premium of Rs. 0.30 per share)
Record Date	November 25, 2021
Issue Period	From December 7, 2021 to December 21, 2021
Date of Allotment	December 29, 2021
No. of Fully Paid-up Shares issued	-
No. of Partly Paid-up Shares issued	30,90,09,241

In respect of the 30,90,09,241 partly paid-up Equity shares issued on December 29, 2021 the Company made first and final Call, followed by First Reminder, details of the same along with consequent conversion of partly paid shares to fully paid-up shares and their outstanding balance are as per the following table:

Particulars	First and Final Call	First Reminder-First and Final Call	First Reminder-First and Final Call
Call Record Date	February 4, 2022	Not Applicable	Not Applicable
Notice Date	February 7, 2022	April 4, 2022	November 7, 2022
Period for making payment	From February 10, 2022 to February 24, 2022	From April 11, 2022 to April 25, 2022	November 16, 2022 to December 10, 2022
No. of Shares converted into fully paid-up Equity Shares pursuant to receipt of call money	Rs. 29,55,67,595	Rs. 74,92,368	Rs. 17,50,789
Date of Conversion (Allotment of fully paid-up shares)	March 7, 2022	May 7, 2022	January 5, 2023
Outstanding partly paid-up Equity Shares before Call/Reminder Notice	30,90,09,241	1,34,41,646	59,49,278
Outstanding partly paid-up Equity Shares after Call/Reminder Notice	1,34,41,646	59,49,278	0

#### Forfeiture of unpaid shares by Rights Issue Committee:

The Shareholders were intimated through various reminder cum forfeiture notice(s) requesting them to make the payment of First and Final Call Money within the due date through First and Final Call Money Notice dated February 7, 2022, First Reminder Notice dated April 4, 2022 and Second and Final Reminder-cum Forfeiture Notice#2 dated November 7, 2022.

The Right Issue Committee forfeited 41,98,489 Partly Paid-up Shares on which Call Money after reminders has not received by the Company on i.e. January 5, 2023.

#### CHANGE IN NAME OF THE COMPANY

During the period under review, there was no change in the name of the Company.

#### LISTING OF SECURITIES

The Equity Shares of your Company are listed and traded at:



BSE Limited  
Phirozee Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400 001



National Stock Exchange of India Ltd  
Exchange Plaza, Bandra-Kurla  
Complex, Bandra (E), Mumbai - 400051

**FIXED DEPOSITS**

We have not accepted any fixed deposits, including from the public, and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') Management Discussion and Analysis report ("MD&A Report") providing a detailed overview of your Company's performance, industry trends, business and risks involved is provided separately and is forming part of the Annual Report.

**SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS**

During the year, under review your Company does not have a subsidiary, joint venture or associates, hence reporting requirements are not applicable.

**DIVIDEND**

To conserve the resources for the expansion of business in the long run, your Company has not recommended any dividend for the Financial Year 2022-23 and has decided to retain the profits.

**CORPORATE GOVERNANCE AND ETHICS**

The Company believes in adhering to the best corporate governance practices and its philosophy emphasizes on fair and transparent governance and disclosure practices which helps your Company to follow the path of its vision and mission. It strongly believes in developing best corporate governance policies and procedures based on principles of fair and transparent disclosures, equity, accountability and responsibility.

A detailed report on Corporate Governance, in terms of Regulation 34 of the Listing Regulations is forming part of the Annual Report. A certificate confirming compliance with requirements of Corporate Governance as enumerated under the extant provisions of Listing Regulations issued by Mr. Pankaj Kumar Gupta, Proprietor of Kumar G & Co., Company Secretaries is also annexed to the said report.

**CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

In line with the provisions of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for development of programme and projects for the benefit of weaker sections of the society and to promote the education within the local limits and the same has been approved by Corporate Social Responsibility Committee (CSR Committee) and the Board of Directors of the Company. The Corporate Social Responsibility (CSR) policy of the Company provides a road map for its CSR activities.

The Company has duly constituted a committee under the nomenclature of Corporate Social Responsibility Committee consisting of majority of non-executive independent Directors responsible for monitoring and reviewing the policy from time to time and to ensure the proper compliance.

**BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL****Board of Directors**

The Board of Directors provides strategic direction and supervision to an organization. Your Company's Board consists of learned professionals and experienced individuals from different fields.

Presently, the Board comprised of Three Executive Directors and three Non-Executive Directors (Independent Directors) including one woman Director on the Board.

During the period under review and post closure period there was change in the composition of Board of Directors. Details of the same are mentioned below:

1. Mr. Suresh Kumar Dhingra resigned from the office of Executive Director of the company with effect from April 25, 2022.
2. Mr. Dinesh Bhardwaj (DIN: 07719674) appointed as Additional Director (Whole-Time Director) of the Company w.e.f. May 6, 2022, who was already serving as Chief Executive Officer of the company. However, he resigned from both the positions of the Company w.e.f. May 1, 2023.
3. Mr. Balwant Kumar Bhushan (DIN: 09840934) was appointed as an Executive Director and Chief Executive Officer of the Company w.e.f. May 13, 2023.
4. Appointment of Mr. Rajeev Kumar (DIN: 10271754) as an Additional Director (Category: Executive) of the Companies Act, 2013 w.e.f. i.e. August 10, 2023.
5. Resignation of Mr. Vivek Garg (DIN: 00255443), from the post of Non -Executive Director of the company w.e.f. August 10, 2023.

The information of Directors, seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Listing Regulations and Companies Act, 2013 is provided in the notice of the 38th Annual General Meeting of the Company.

The Board is grateful for their support and places on record its appreciation for the responsibilities shouldered by them in their respective roles.

#### **Key Managerial Personnel**

The Board of your Company consisted of the following Key Managerial Personnel (KMP's) as on the year ended March 31, 2023:

Managing Director	Mr. Vikas Garg
Chief Executive Officer & Whole-Time Director	Mr. Dinesh Kumar Bhardwaj
Chief Financial Officer	Mr. Amit Dhuria
Company Secretary	Mr. Prashant Sajwani

#### **DECLARATION OF INDEPENDENCE**

The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under Section 149(6) of the Companies Act, 2013 read with the Regulation 16(1)(c) of the Listing Regulations and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as an Independent Director of the Company.

The Board conforms to the declaration of the Independent Directors and there being no doubts as to veracity of the same, places the same on record.

#### **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](http://www.vikasecotech.com).

Details of scope, constitution, terms of reference, numbers of meetings held during the year under review along with attendance of Committee Member are provided under Corporate Governance Report forming part of the Annual Report.

#### **BOARD EVALUATION**

In line with the statutory requirements enshrined under the Companies Act, 2013 and the Listing Regulations, the Board carried out a performance evaluation of itself, its Committees, the Chairman and each of the other Directors. The performance evaluation was carried out on the basis of framework approved by the Nomination and Remuneration Committee. The Committee had unanimously consented for an 'in-house' review built on suggestive parameters. Based on the suggestive parameters approved by the Nomination and Remuneration Committee, the following evaluations were carried out:

- Review of performance of the non-independent Directors and Board as a whole by Independent Directors.
- Review of the performance of the Chairperson by the Independent Directors.
- Review of Board as a whole by all the Members of the Board.
- Review of all Board Committees by all the Members of the Board.
- Review of Individual Directors by rest of the Board Members except the Director being evaluated.

#### **AUDIT AND AUDITORS**

##### **Statutory Audit**

M/s. KSMC & Associates, Chartered Accountants (FRN: 003565N), were re-appointed as Statutory Auditors of the Company at the 36<sup>th</sup> Annual General Meeting held on September 27, 2021 for a period of 5 years and they will remain in office until the conclusion of 41<sup>st</sup> AGM to be held in the financial year 2026-27.

Further, there are no qualifications, reservations or adverse remarks in the Report issued by M/s KSMC & Associates, Statutory Auditors, for the financial year ended March 31, 2022. The Statutory Auditors have also not reported any incident of fraud to the Audit Committee during the year under review. Remarks made in the Auditors' Report are self-explanatory and do not call for any further comments from your Directors.

**Secretarial Audit**

M/s. Kumar G & Co., Company Secretaries were appointed as the Secretarial Auditors of your Company to carry out the Secretarial Audit for the financial year under review. The Secretarial Audit Report issued by the Secretarial Auditors in Form No. MR-3 is annexed with this Report.

In terms of extant provisions of Listing Regulations read with SEBI circulars issued on the subject, a Secretarial Compliance Report was also obtained by the Company from the Secretarial Auditors and the same was also intimated to the Stock Exchange.

There are some qualifications or reservations in the Secretarial Audit Report and in the Annual Secretarial Compliance Report. The reports of the same are annexed in this Annual Report.

**Cost Audit**

As per the extant provisions of Section 148 of the Companies Act, 2013, the cost records for the products requiring cost audit has been maintained by the Company in a timely and proper manner, the same was also made available to the Cost Auditors of the Company for their audit. M/s. JSN & Co., Cost Accountants, was engaged to carry out Audit of CostRecords of the Company during Financial Year 2022-23.

**VIGIL MECHANISM**

The Board of Directors of the Company has established a Policy on Vigil Mechanism for the Directors/KMP and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behavior, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Direct access is provided to the whistle blowers to reach Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. The Company has also provided adequate safeguards against victimization of employees and directors who express their concerns. The copy of Company's vigil mechanism is available at the website of the Company [www.vikasecotech.com](http://www.vikasecotech.com).

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

Your Company believes in principles of gender equality and endeavors to provide a healthy and respectable work environment. It has developed a framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information. During the year under review, no complaints of any event/ occurrence of an act of sexual harassment were reported/noticed by the management.

**RELATED PARTY TRANSACTIONS**

Your Company follows the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length basis 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. The same is available on the Company's website [www.vikasecotech.com](http://www.vikasecotech.com).

Omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseeable and repetitive nature, in all other cases prior approval of Audit Committee is taken for entering into a related party transaction. All Related Party Transactions are placed on a quarterly basis before the Audit Committee and before the Board for their review.

Further, pursuant to the provisions of Section 188 read with the relevant rules the Company has also considered to take the prior and blanket approval for the routine transactions with its related parties for entering into any transaction(s) creeping the limit specified in the aforesaid section.

During the year, no material contracts or arrangements with related parties not in Ordinary course of business or on arm's length basis were entered. Further, details of related party transactions are provided under notes to financial statements and Form AOC-2 is annexed with the Board Report.

**INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Audit Committee and Board periodically reviews adequacy of Company's checks and controls for risk management. The Board has developed a Risk Management Policy which identifies elements of business & other risks involved and constantly work towards curbing the same. Adequacy of internal financial controls with reference to the Financial Statements is also assessed and reviewed periodically. Your Board is of the view that the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company.

In addition, testing of adequacy of internal controls was also carried out independently by the Statutory Auditors of the Company.

## **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 31st March, 2023 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.

## **OTHER DISCLOSURES**

- a) **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.
- b) **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 Annual Report.
- c) **Secretarial Standards**  
During the year under review the Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India.
- d) **Deposits**  
The Company has neither accepted any deposits during the year under review nor has any outstanding deposits from any of earlier years for repayment.
- e) **Remuneration of Directors, Key Managerial Personnel and Particulars of Employees**  
Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are forming part of the Annual Report.
- f) **Remuneration Policy**  
The Company has a remuneration policy which provides for basis for fixation of remuneration of Directors, Key Managerial Personnel and Senior Management Officials of the Company. The remuneration policy of the Company is largely based on factors like hierarchy, industry practices and performance of respective individuals. The policy is available on the website of the Company at [www.vikasecotech.com](http://www.vikasecotech.com)
- g) **Particulars of Loans, Guarantees or Investments**  
In terms of Section 186 of the Companies Act, 2013, particulars of inter-corporate loans, guarantees and investments are provided in the notes to Financial Statements.
- h) **Details of Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016**  
During the year under review, there was no application made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.
- i) **Details of difference between valuation amount on one time settlement and Valuation while availing loan from Banks and Financial Institutions**  
During the year under review, there has been no one time settlement of Loans taken from Banks and Financial institutions.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY****Qualified Institutions Placement (QIP)**

Post the period under review, the Board of Directors of the Company in their meeting held on January 30, 2023 considered and approved raising of Funds through QIP and also constituted the 'Fund Raising Committee' and authorized such committee to decide, inter alia, the terms and conditions of the proposed fund-raising including right issue and for allotment of equity shares and/or other convertible securities, pursuant to the proposed issue.

Further the Company in its Extra-Ordinary General Meeting held on February 27, 2023 and in-principle approval(s) received from both the Stock Exchanges, namely BSE Limited dated May 31, 2023 and National Stock Exchange of India Limited dated May 31, 2023 for QIP Issue, the Fund Raising Committee through its meeting held on June, 12, 2023 approved the allotment of 17,85,00,00 Equity Shares at the issue price to the eligible qualified institutional buyers in accordance with the terms of the issue.

Details of Qualified institutions placement of equity shares of face value of ₹ 1 under the provisions of Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013.

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**GRATITUDE TOWARDS STAKEHOLDERS**

*The Board expresses its gratitude to all the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company and its sincere appreciation to all the employees 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 while serving and keeping the interest of its stakeholders and the society at large.*

**For and on behalf of Board  
Vikas EcoTech Limited**

**Place: New Delhi  
Date: August 10, 2023**

**Gyan Prakash Govil  
(Chairman)  
DIN: 08477296**

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

## **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 had commissioned 300 KW of solar panels at Rajasthan and had 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 had improve efficiency and cost savings for the company.

The company 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.

The Company 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 involves considerable consumptions of electrical energy.

The Company 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 endeavors 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 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 upto cater to the growing demand, Vikas Eco Tech 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 not incurred any expenditure (including capital and revenue expenses) towards Research and Development.**

### **FOREIGN EXCHANGE, EARNINGS AND OUTGO**

During the Financial Year 2022-23, the Company had foreign outgo of Rs. 19.85 Crores

**FORM NO. AOC -2**

**[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**

Details of contracts or arrangements or transactions at Arm's length basis:

S. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangement/ transaction	Duration of the contracts/ arrangement/ transaction	Terms of the contracts or arrangements or Transaction including the value, if any	Date of approval by the board	Amount paid as advance, if any
1.	Advik Optoelectronics Limited	Company with Common Directors	Purchases	N.A.	2,10,08,000	N.A.	N.A.
			Sales	N.A.	3,25,450	N.A.	N.A.
2.	Mrs. Seema Garg	Relative of Director	Rent Paid	N.A.	5,04,000	N.A.	N.A.
3.	Mr. Vikas Garg	Managing Director	Remuneration	N.A.	12,00,000	N.A.	N.A.
4.	Mr. Dinesh Bhardwaj	Key Managerial Personnel	Remuneration	N.A.	8,20,000	N.A.	N.A.
5.	Mr. Amit Dhuria	Key Managerial Personnel	Remuneration	N.A.	20,94,665	N.A.	N.A.
6.	Mr. Prashant Sajwani	Key Managerial Personnel	Remuneration	N.A.	8,10,000	N.A.	N.A.
7.	Mr. Vikas Garg	Unsecured Loan	Unsecured Loan	N.A.	1,09,15,474	N.A.	N.A.

# Mr. Vikas Garg appointed as a Director in M/s. Advik Capital Limited w.e.f. 22.02.2023, where M/s Advik Optoelectronics Limited is a subsidiary of M/s Advik Capital Limited, so related party transactions have been considered from 22.02.2023.

**For and on behalf of Board  
Vikas EcoTech Limited**

**Place: New Delhi  
Date: August 10, 2023**

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

**Gyan Prakash Govil  
(Chairman)  
DIN: 08477296**

## **DISCLOSURE OF MANAGERIAL REMUNERATION U/S 197 OF COMPANIES ACT, 2013**

Details pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year, the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-

Name	Designation	Ratio of Remuneration of each Director and KMP to the median remuneration of employees	Percentage Increase in Remuneration*
Vikas Garg	Managing Director	5.56:1	-
Amit Dhuria	Chief Financial Officer	9.72:1	11.70%
Dinesh Bhardwaj	Chief Executive Officer	3.89:1	16.67%
Prashant Sajwani	Company Secretary	3.89:1	27.27%

No other directors were paid remuneration during the Financial Year 2022-23.

- The percentage increase in the median remuneration of employees in the financial year.

There was increase in the remuneration of employees during the year 2022-23 as specified above.

- The number of permanent employees on the rolls of the Company.

The number of permanent employees on the rolls of the Company as on March 31, 2023 is 83 across all the locations.

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

There is no reportable/exception increase in average percentile increase in Managerial Personnel as compare with average percentile increase in salary of employees other than managerial personnel, during the year 2022-23.

It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of Board  
Vikas EcoTech Limited

Place: New Delhi  
Date: August 10, 2023

Gyan Prakash Govil  
(Chairman)  
DIN: 08477296

Vikas Garg  
(Managing Director)  
DIN: 00255413

## CORPORATE GOVERNANCE REPORT

Companies' philosophy on Code of Governance: -

In Vikas Ecotech Limited, Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence.

"Corporate Governance is a system by which corporate entities are directed and controlled, encompassing the entire mechanics of the functioning of a Company. Good Corporate Governance practices are a sine qua non for sustainable business that aims at generating long term value to all its shareholders and other stakeholders."

The Company believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organizational excellence leading to increasing employee and customer satisfaction and shareholder value. The Company always endeavors to leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

Guided by our core values; Responsibility, Integrity, Innovation and customer delight, your Company governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors ("Board") and of senior management and their relationships with others in the corporate structure.

The Company believes that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis.

### 1) BOARD OF DIRECTORS

AAs on 31st March, 2023, the Board comprised of Two Executive Directors and Four Non-Executive Directors, out of four Non-Executive Directors three were Independent Directors.

The composition of Directors as on March 31, 2023 is set out in the table below:

DIN	Name of Directors	Designation
00255413	Mr. Vikas Garg	Managing Director
07719674	Mr. Dinesh Bhardwaj	Executive Director & Chief Executive Officer
00255443	Mr. Vivek Garg	Non-Executive - Non-Independent Director
08477296	Mr. Gyan Prakash Govil	Non-Executive - Independent Director
01018072	Mr. Ravi Kumar Gupta	
08825445	Ms. Kratika Godika	

Your Company has a well-diversified Board and all the Independent Directors satisfy the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations. Detailed disclosures pertaining to Independence of Directors and changes in Board structure during the year are provided under Board's Report. The profiles of all Directors are available on Company's website at [www.vikasecotech.com](http://www.vikasecotech.com).

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

#### a) Appointment and Cessation of Directors

As on date of this report, your Board comprised of Six Directors of whom three are Executive Directors, three are Non-Executive and Independent Directors including one women Director on the Board.

However, during the year under review and after its closure, there were some changes in the Board Composition as detailed below:

1. Mr. Dinesh Bhardwaj (DIN: 07719674) appointed as Additional Director (Whole-Time Director) of the Company w.e.f. May 6, 2022, who was already serving as Chief Executive Officer of the company. However, he resigned from both the positions of the Company w.e.f. May 1, 2023.
2. Mr. Balwant Kumar Bhushan (DIN: 09840934) was appointed as an Executive Director and Chief Executive Officer of the Company w.e.f. May 13, 2023.

Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors is consistent with the requirements of the Companies Act, 2013 and the Listing Regulations. At the time of

appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

The composition of the Board of the Company is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Section 149 of the Companies Act, 2013 ("the Act") as on March 31, 2023.

The composition of the Board is an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities effectively and provide leadership to the business.

#### **b) Board Meetings**

As a good governance practice and as per the guidance note issued by the Institute of Company Secretaries of India, the Board Meetings held considering the requirements under applicable laws w.r.t minimum number of meetings and maximum permissible time gap between two consecutive meetings. Additional meetings are also convened as and when required.

During the year, The Board duly met 5 (Five) times during the year on (i) May 6, 2022 (ii) July 22, 2022 (iii) September 3, 2022 (iv) October 19, 2022, and (v) January 30, 2023. The maximum interval between any two meetings did not exceed 120 days.

The agenda papers and detailed notes are circulated to the Board well in advance for every meeting, where it is not practicable to attach any document to the agenda, the same is placed before the Board at the meeting and in special circumstances, additional items on the agenda are taken up at the meeting with the necessary approval of Chairperson and Directors in terms of Companies Act, 2013 read with Secretarial Standards.

The number of Directorship(s)/Committee Membership(s)/Chairmanship(s) of all Directors are within respective limits prescribed under the SEBI Listing Regulations and the Act.

As on March 31, 2023, the details are as follows:

Name of Directors	Designation Category	Attendance Particulars		No. of other directorships and Committee memberships/chairmanships**			Directorship in other listed entities	No. of Shares held by directors
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships		
Vikas Garg	Managing Director	5	No	1	2	0	2	7,86,43,933
Vivek Garg	Non-Executive-Non Independent Director	1	No	5	3	0	0	21,550
Gyan Prakash Govil	Non-Executive -Independent Director and Chairperson	4	Yes	0	4	1	0	-
Ravi Kumar Gupta	Non-Executive - Independent Director	4	Yes	0	3	3	0	-
Dinesh Bhardwaj	Executive Director	5	Yes	0	0	0	0	-
Kratika Godika	Non-Executive - Independent Director	3	No	0	0	0	0	-

There is no Inter-se relationship of any directors except for Mr. Vikas Garg, Managing Director and Mr. Vivek Garg, Non-Executive Director being brothers, they are also Promoter Directors.

#### **MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS**

The Board of Directors has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which is currently available with the Board:

Business	Understanding of business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Ability to strategize and plan for achievement of goals of the Company and implementation of the same.
Leadership & Management	Leadership experience, understanding of organization, its systems and processes and ability to lead and direct functions of the Company Management of men, machine and money including the risk involved.
Governance & Compliance	Insight of governance practices, serving the best interests of all stakeholders, accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Financial acumen	Understanding of financial data and ability to analysis and interpret figures, knowledge of finance as a function of organization, ability to take decisions regarding procurement and usage of funds in most effective manner.

#### **d) Board Procedure**

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our quarterly financial results and annual financial results are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition, specific cases of acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board for their approval.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

#### **e) Independent Directors**

The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under Section 149(6) of the Companies Act, 2013 read with the Regulation 16 (1) (c) of the Listing Regulations and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment as an Independent Director of the Company.

In opinion of the Board, the Independent Directors of the Company fulfill the criteria of Independence as per the extant provisions of Companies Act, 2013 and Listing Regulations.

Your Company follows a structured orientation and familiarization programme for Independent Directors which includes familiarizing through reports/codes/internal policies/presentations to enable them to understand their roles and responsibilities, nature of the industry in which the Company operates, business model of the Company, it's strategic and operating plans. Further, during the year, presentations were also made from time to time at the Board and its committee meetings, on regular intervals, covering the business and financial performance of the Company, business outlook, budget, expansion plans, succession plans etc. The details of the familiarization programme for the Independent Directors are available on the website of the Company.

A separate meeting of the Independent Directors was held on January 5, 2023 without the presence of Executive Directors or non-independent Directors and members of the management.

## **2) BOARD COMMITTEES**

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered. There were five sub-committees of the Board as at March 31, 2023.

The Board has constituted Committees for carrying out designated functions assigned under Companies Act, 2013 and Listing Regulations and delegated powers suited to their respective roles.

The Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee

2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Executive Committee

The details of the role and composition of Committees of the Board including number of meetings held during the year and attendance thereat are provided below.

#### a) Audit Committee (AC)

The Audit Committee during the year 2022-23 comprised of three members, all are independent Directors including the Chairman. The Chairman of the Committee is an expertise in financial matters and all other members of the Committee are also financially literate.

During the year under review, the Audit Committee met Five (5) times on (i) May 6, 2022 (ii) July 22, 2022 (iii) September 3, 2022 (iv) October 19, 2022, and (v) January 30, 2023. The necessary quorum being present at all the meetings.

The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Member	Category	Designation	Meetings Held	Meetings Attended
Mr. Ravi Kumar Gupta	Non-Executive - Independent Director	Chairman	5	5
Mr. Gyan Prakash Govil	Non-Executive - Independent Director	Member	5	5
Mr. Vivek Garg	Non-Executive Non-Independent Director	Member	5	5

#### The role of the Audit Committee shall include the following:

The Audit Committee of the Board, reviews, acts on and reports to our Board with respect to various auditing and accounting matters. The primary responsibilities of the Committee, inter alia, are:

- Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.
- Compliance with legal and statutory requirements.
- Integrity of the Company's financial statements, discussions with the independent auditors regarding the scope of the annual audits, and fees to be paid to the independent auditors.
- Performance of the Company's internal audit function, independent auditors and accounting practices.
- Review of related party transactions and functioning of whistle blower mechanism; and
- Evaluation of internal financial controls and risk management systems and policies.

The Chairman of the Audit Committee was present at the Annual General Meeting held on September 29, 2022. All members of the Audit Committee are Independent Directors and financially literate. Statutory Auditors as well as Internal Auditors are invited and attend meetings of the Audit Committee and periodic presentations are also made to the Audit Committee on various issues.

#### b) Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises 3 (Three) Directors. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee met two times during the financial year 2022-23 on May 6, 2022 and October 19, 2022.

The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Member	Category	Designation	Meetings Held	Meetings Attended
Mr. Ravi Kumar Gupta	Non-Executive Independent Director	Chairman	2	2
Mr. Gyan Prakash Govil	Non-Executive Independent Director	Member	2	2
Mr. Vivek Garg	Non-Executive Non-Independent Director	Member	2	2

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Directors, Key Managerial Personnel and Senior Management Officials as well as their nomination and appointment. The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and The Listing Regulations.

Nomination and Remuneration Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

The Committee considers, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- Qualification, expertise and experience in their respective fields such as Information Technology Business, Scientific Research & Development, International Markets, Leadership, Financial Analysis, Risk Management and Strategic Planning, etc.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- Diversity of thought, experience, knowledge, perspective and gender in the Board.

In case of appointment of Independent Directors, the Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively. The Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

The Non-Executive Directors are entitled to receive remuneration only by way of sitting fees for participation in the Board/Committee meetings within the overall limits prescribed under the Companies Act, 2013 and reimbursement of expenses for participation in Board/Committee meetings. Independent Directors are not entitled to participate in the stock option schemes of the Company.

Performance of each of the Independent Directors are evaluated every year by the entire Board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgement in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behavior and judgment, maintenance of confidentiality and contribution to corporate governance practices within the Company.

### **C) Stakeholders' Relationship Committee (SRC)**

The Stakeholders Relationship Committee comprises 3 (Three) members. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee met once during the financial year 2022-23 on January 30, 2023. The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Member	Category	Designation	Meetings Held	Meetings Attended
Mr. Gyan Prakash Govil	Non-Executive Independent Director	Chairman	1	1
Mr. Vikas Garg	Executive Director	Member	1	1
Mr. Vivek Garg	Non-Executive Non-Independent Director	Member	1	1

The Stakeholders relationship Committee carries out the role in compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The Committee is responsible for resolving investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

#### **a) Name and designation of Compliance Officer:**

Mr. Prashant Sajwani is the Compliance Officer and Company Secretary of the Company.

#### **b) Status of shareholders' complaints:**

During the year under review, no complaints was unresolved at end of the FY 2022-23.

#### **c) Number of Investor Complaints remaining unresolved or not solved to the satisfaction of shareholders:**

None, all complaints were resolved to the satisfaction of shareholders.

#### **d) Number of pending complaints:**

As at March 31, 2023, no concern or complaint was left unresolved.

### **d) Corporate Social Responsibility Committee (CSRC)**

The Corporate Social Responsibility Committee was formed pursuant to Section 135 of the Companies Act, 2013

read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

Annual report on CSR activities undertaken by the Company and amount spent during the year 2022-23 is forming part of Board's Report and uploaded on the website of the Company. The Corporate Social Responsibility Policy of the Company is available on the website of the Company under 'Company Policies' in the 'Corporate Governance' section.

The Corporate Social Responsibility Committee as on March 31, 2023 comprises of 3 (Three) members. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee.

The Composition of Corporate Social Responsibility Committee is given below:

Name of Member	Category	Designation	Meetings Held	Meetings Attended
Mr. Ravi Kumar Gupta	Non-Executive Independent Director	Chairman	1	1
Mr. Gyan Prakash Govil	Non-Executive Independent Director	Member	1	1
Mr. Vikas Garg	Executive Director	Member	1	1

### 3) GENERAL BODY MEETINGS

#### a) Location and time, where last three Annual General Meetings held:

Financial year Day and Date	Time	Venue	Special Resolution Passed
FY 21-22 (AGM) September 29, 2022	4:30 PM	through Video Conferencing /Other Audio Visual Means (OAVM) facility	Following Special Business were transacted: 1) Approval of Remuneration of Cost auditor of the Company. 2) Appointment of Mr. Dinesh Bhardwaj (DIN: 07719674) as a Director of the Company. 3) Appointment of Mr. Dinesh Bhardwaj (DIN: 07719674) as a Whole Time Director of the Company. 4) Amendment in Object Clause of the Memorandum of Association of the Company. 5) Approval to increase limits to make loan and Investment exceeding the ceiling prescribed under Section 186 of the Companies Act, 2013. 6) Approval for Related Party Transaction under section 188 of the Companies Act, 2013.
FY 20-21 (AGM) September 27, 2021	11.30 A.M	through Video Conferencing /Other Audio Visual Means (OAVM) facility	Following Special Resolutions were passed: 1) Amendment to the Articles of Association of the Company. 2) To authorize Capital raising through Right Issue of Equity Shares. 3) Appointment of Ms. Kratika Godika (DIN: 08825445) as an Independent Director.
FY 19-20 (AGM) September 29, 2020	11.30 A.M	through Video Conferencing /Other Audio Visual Means (OAVM) facility	Following Special Resolutions were passed: 1) Members approval for borrowing under Section 180 (1) (c) of the Companies Act, 2013 2) Members approval for securing the borrowings of the Company under Section 180(1)(a) of the Companies, Act, 2013 3) Members approval to make loan and investment exceeding the ceiling prescribed under Section 186 of the Companies, Act, 2013 4) Members approval for giving loan and guarantee or providing security in connection with loan availed by any specified person under Section 185 of the Companies, Act, 2013 5) Members' approval for Related Party Transactions under section 188 of the Companies Act, 2013.

#### b) Postal Ballot:

During the period under review, no postal ballot was conducted.

**4) GOVERNANCE THROUGH MANAGEMENT PROCESS****a) Code of Conduct**

The Board and all senior management personnel of the Company are required to abide by the Code of Conduct as laid down by the Board ensuring minimum standards of Business and ethical Conduct. This Code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. This Code has been displayed on the Company's website at [www.vikasecotech.com](http://www.vikasecotech.com).

A declaration by the Chairman & Managing Director confirming that all the Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2023 is annexed at the end of this report.

**b) Code for Prevention of Insider Trading**

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and code for practices and procedures for fair disclosure of unpublished price sensitive information. The said code has been made available on the Company's website at [www.vikasecotech.com](http://www.vikasecotech.com).

**c) Policy for Preservation of Documents**

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

**5) DISCLOSURES****a) Disclosure of Materially Significant Related Party Transactions**

Detailed disclosure on Related Party Transactions including Company's policy has been made as part of Board's Report read with Financial Statements of the Company.

**b) Whistle Blower Policy**

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Audit Committee. Detailed disclosure on vigil mechanism of the Company has been made under Board's Report.

**c) Plant Location & Address for Correspondence**

Details of Plant locations and address of correspondence being corporate office of the Company are provided under Corporate Information section of Annual Report.

**d) Certificate on Non-Disqualification of Directors**

A certificate from Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority forms part of the this report.

**e) Total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm/ network entity**

The total fees paid to Company's Auditors M/s. KSMC & Associates, Statutory Auditor by the Company for the as on the Financial Year March 31, 2023 is Rs. 12,50,000.

**f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the financial year ended March 31, 2023, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**g) CEO / CFO certification**

To comply with the Regulation 17(8) of Listing Regulations, the Chief Executive Officer and Chief Financial Officer has certified that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards. The said Certificate is also forming part of this Report.

**h) Compliance with mandatory Requirements**

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations except as stated or disclosed otherwise.

A Certificate from M/s Kumar G & CO., Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance as stipulated under the Listing Regulations is forming part of this Report.

#### **i) Compliance with Non- Mandatory Requirements**

Your Company has also complied with many non- mandatory corporate governance requirements as prescribed under the Listing Regulations details of the same are as follows:

##### **1. Chairman**

The Board has appointed Mr. Gyan Prakash Govil, an Independent Director as Chairman of the Company.

##### **2. Separation of office of CEO and Chairman**

The Company has an Independent Director as its Chairman and also appointed a Chief Executive Officer to manage affairs of the Company.

##### **3. Modified Opinion(s) in Audit Report**

There is no modified opinion(s) in the Auditors Report for the financial year 2022-23 issued by the Auditors of the Company.

##### **4. Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

##### **5. Certificate on Non-Disqualification of Directors**

A certificate from Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority forms part of the this report

#### **6) MEANS OF COMMUNICATION**

##### **a) Quarterly Results:**

The Company publishes limited reviewed un-audited financial results on quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

##### **b) Newspapers wherein results normally published:**

The financial results are generally published in 'Financial Express' (English) and 'Jansatta' (Hindi).

##### **c) Website, where Displayed:**

The financial results and the official news releases are also placed on the Company's website at [www.vikasecotech.com](http://www.vikasecotech.com)

##### **d) Official news releases:**

The Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investors' section under relevant sections.

#### **7) SHAREHOLDINGS**

##### **a) Share Transfer System**

Effective April, 1 2019, transfer of Shares in physical form is not permissible under Listing Regulations. Shareholders are thus advised to convert their shares in Dematerialised/Electronic form. No transferor allotment of shares will be approved in physical form. Transfer of Equity Shares in dematerialized form is done through depositories with no intervention of the Company.

##### **b) Dematerialization of Shares & Liquidity**

As on March 31, 2023, the entire shareholding of the promoters were held in dematerialized form, further, 99.72% of the total equity shares from the Category other than promoters were held in dematerialized form.

##### **c) Reconciliation of Share Capital As on March 31, 2023**

SEGMENTS	HOLDINGS	% OF HOLDINGS
CDSL	50,90,03,767	53.66
NSDL	43,71,30,366	46.08
PHYSICAL	24,41,891	0.26
TOTAL HOLDINGS	94,85,76,024	100.00

**d) Stock Market Price Data - high, low during each month in last financial year:**

Price details monthly High-Low as compared with broad based Index.

**Stock trading details on NSE**

**NSE Scrip Code: VIKASECO**

**Period: April, 2022- March, 2023**

Month	Open	High	Low	Close	Total traded Volume (in Lakhs)	Turnover (in Rupees Lakhs)
April'22	5.50	6.00	4.85	5.00	1664.12	8817.14
May'22	5.00	5.15	3.35	3.85	1999.29	7966.21
June'22	3.85	4.50	3.60	3.80	1601.52	6425.04
July'22	3.80	4.00	3.45	3.60	861.59	3209.96
Aug'22	3.60	4.15	3.50	3.55	1239.35	4590.42
Sep'22	3.60	3.80	2.95	3.10	1072.29	3682.02
Oct'22	3.15	4.15	3.10	3.85	1727.83	6449.00
Nov'22	3.85	3.90	3.25	3.50	1067.23	3816.80
Dec'22	3.55	3.80	3.00	3.45	1256.50	4414.23
Jan'23	3.45	4.15	3.20	3.30	1461.43	5250.81
Feb'23	3.35	3.40	2.80	2.80	739.82	2301.22
March'23	2.80	3.15	2.35	2.50	863.28	2434.33

**Stock trading details on BSE**

**BSE Scrip Code: 530961**

**Period: April, 2022 - March, 2023**

Month	Open	High	Low	Close	Total traded Volume (in Lakhs)	Turnover (in Rupees Lakhs)
April'22	5.31	5.98	4.86	5.00	376.06	3218.60
May'22	5.05	5.15	3.24	3.83	628.67	3921.70
June'22	3.94	4.48	3.59	3.80	379.42	2634.17
July'22	3.88	3.99	3.46	3.61	205.04	1140.43
Aug'22	3.65	4.12	3.49	3.57	289.41	1829.97
Sep'22	3.54	3.77	2.94	3.11	280.53	1719.10
Oct'22	3.12	4.13	3.09	3.84	337.73	2158.86
Nov'22	3.85	3.90	3.26	3.51	222.15	1313.51
Dec'22	3.51	3.79	3.01	3.42	189.24	1062.42
Jan'23	3.47	4.13	3.22	3.30	351.38	1848.05
Feb'23	3.33	3.45	2.80	2.81	200.84	872.62
March'23	2.81	3.16	2.38	2.50	264.67	1019.16

**e) Distribution of Shareholding As on March 31, 2023**

The shareholding distribution of equity shares as on March 31, 2023 is given hereunder:

Number of Equity Shares Held	Number of Shareholders	% of Total Shareholders	Number of Shares Held
1-5000	2,49,579	92.0986	18,01,72,950
5001-10000	10,335	3.8138	8,01,38,479
10001-20000	5,462	2.0156	7,96,98,596
20001-30000	2,042	0.7535	5,14,96,935
30001-40000	853	0.3148	3,02,38,204

40001-50000	661	0.2439	3,09,88,387
50001-100000	1,249	0.4609	9,18,13,581
100001-Above	810	0.2989	40,40,28,892

**CATEGORY WISE SHAREHOLDING AS ON MARCH 31, 2023**

Description	Total No. of equity Shares held as on March 31, 2023	% Shareholding
Promoters/Promoters Group	8,84,71,181	9.33
Foreign Portfolio Investors Category-1	2,67,834	0.03
Banks / Financial Institutions / NBFCs	3,005	0.00
Individual Share Capital up to 2 Lacs	57,86,70,845	61.00
Individual Share Capital in excess of 2Lacs	21,21,41,645	22.36
Non-Resident Indians (NRIs)	1,71,48,693	1.81
Bodies Corporate	3,30,77,342	3.49
HUF	1,44,22,622	1.52
Clearing Members	43,72,857	0.46

**f) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

There are no GDRs/ADRs/Warrants outstanding as on March 31, 2023

**g) CEO / CFO certification**

To comply with the Regulation 17(8) of SEBI (LODR) Regulations, the Whole time Director and the Chief Financial Officer have certified that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards. The said Certificate is also forming part of this Report.

**Code of Conduct**

The Board and all senior management personnel of the Company are required to abide by the Code of Conduct as laid down by the Board ensuring minimum standards of Business and ethical Conduct.

This Code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. This Code has been displayed on the Company's website at [www.vikasecotech.com](http://www.vikasecotech.com).

A declaration by the Managing Director confirming that all the Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2023 is annexed at the end of this report.

## **CORPORATE GOVERNANCE CERTIFICATE**

To,  
The Members of  
**Vikas Ecotech Limited**  
34/1, Vikas Apartments, East Punjabi Bagh,  
New Delhi -110026

We have examined the compliance of the conditions of Corporate Governance by M/s. Vikas Ecotech Limited ("the Company"), for the financial year ended March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI (LODR) Regulations, 2015".

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**For Kumar G & Co.**  
**Companies Secretaries**

**Gupta P.K.**  
**Proprietor**  
**M. No. 14629**

**Place: New Delhi**  
**Date: August 10, 2023**

**COP No. 7579**  
**UDIN: A014629E000778911**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
**Vikas Ecotech Limited**  
34/1, Vikas Apartment, East Punjabi Bagh,  
New Delhi-110026

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Vikas Ecotech Limited (CIN:L65999DL1984PLC019465) having registered office at 34/1, Vikas Apartments, East Punjabi Bagh, Delhi- 110026 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial year ended March 31, 2023.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any court or any other Statutory Authority:

S. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Vikas Garg	00255413	15/06/1992
2.	Mr. Vivek Garg	00255443	25/07/2008
3.	Mr. Ravi Kumar Gupta	01018072	14/02/2019
4.	Mr. Gyan Prakash Govil	08477296	28/06/2019
5.	Mrs. Kratika Godika	08825445	04/06/2021
6.	Mr. Dinesh Bhardwaj*	07719674	06/05/2022

However, during the year under review and after its closure, there were some changes in the Board Composition as detailed below:

1. \*Mr. Dinesh Bhardwaj (DIN: 07719674) who was already serving as Executive Director and Chief Executive Officer of the company, resigned from both the positions w.e.f. May 1, 2023.
2. Mr. Balwant Kumar Bhushan (DIN: 09840934) was appointed as an Executive Director and Chief Executive Officer of the Company w.e.f. May 13, 2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kumar G & Co.**  
**Companies Secretaries**

**GUPTA P.K.**  
**Proprietor**

**M. No. 14629**

**COP No. 7579**

**UDIN: A0A014629E000779074**

**Place: New Delhi**

**Date: August 10, 2023**

### CEO'S/CFO'S CERTIFICATE

We, Balwant Kumar Bhushan, Chief Executive Officer and Amit Dhuria, Chief Financial Officer of Vikas Ecotech Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For Vikas Ecotech Limited**

**For Vikas Ecotech Limited**

**Date: 13.05.2023**  
**Place: New Delhi**

**Balwant Kumar Bhushan**  
**Chief Executive officer**

**Amit Dhuria**  
**Chief Financial officer**

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### DECLARATION OF COMPLIANCE WITH COMPANY'S CODE OF CONDUCT

The Member  
Vikas Ecotech Limited

I hereby confirm that all the Board members and senior management personnel of the company have affirmed compliance with the company's Code of Conduct during the financial year ended March 31, 2023.

**For Vikas Ecotech Limited**

**Date : August 10, 2023**  
**Place : New Delhi**

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

**Form No. MR-3**  
**Secretarial Audit Report**

**For the Financial year ended 2021-22**

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

To,  
The Members,  
**VIKAS ECOTECH LIMITED,**  
34/1 Vikas Apartments,  
East Punjabi Bagh Delhi 110026

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vikas Ecotech Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (No Fresh FDI, ODI and ECB was taken by the Company during the Audit Period);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021\*;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\*;
  - (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*;

\*(Not Applicable during the period under review)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

S. No.	Relevant Provision for Compliance Requirement	Observation
1.	Regulation 30 of SEBI (LODR), 2015	Delay in reporting Outcome of Board Meeting dated May 6, 2022 was delayed intimated to BSE by 15 minutes
2.	SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018	Delay in reporting Initial Disclosure was reported delayed to the stock exchanges on May 13, 2022 by 15 days from the due date of filing.
3.	SEBI Regulations	Investigation by SEBI for period of March 1, 2021 to October 12, 2021 The investigation was conducted to ascertain whether there was any violation of the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred as "PIT Regulations") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred as "SAST Regulations") by certain entities for the period from March 01, 2021 to October 12, 2021. Office bearers of the Company were summoned to provide details, information and to produce documents. The Company' Officials have appeared and submitted their statements in the month of March, 2023. The Show Cause Notice dated June 14, 2023 issued to certain persons belonging to Company's promoters, promoter group, and subsequent proceedings. Though the non-compliances were inadvertent, technical in nature and no unlawful gain was earned, certain persons belonging to Company's promoters, promoter group has been imposed with penalties under Section 15A (b) of the SEBI Act, 1992 vide Adjudication Order No. Order/SS/RK/2023-24/28342-28349 dated 27th July 2023. The Company has initiated the process of payment of penalty levied by SEBI.

We further report that the following major events happened during the period under review:

**(i) The Right Issue Committee of the Company made certain allotments, as detailed herein below, of Equity Shares to the eligible holders, who have exercised their option:**

The company made "1st Reminder Notice of first and final call money" of Right Issue on April 04, 2022, wherein 74,92,368 Equity Shares of Face Value of Re.1/- each were converted from partly paid-up to Fully paid-up equity shares.

Further, The Company made "Second and final call reminder cum Forfeiture notice" to the holders of Partly Paid-up shares on November 07, 2022, wherein 17,50,789 partly paid-up Equity Shares of Face Value of Re.1/- were converted into Fully Paid-up equity shares.

All these shares were subsequently listed and admitted for trading on BSE Limited & National Stock Exchange of India Limited.

**(ii) Forfeiture by Rights Issue Committee:**

The Shareholders were intimated through various reminder cum forfeiture notice(s) requesting them to make the payment of First and Final Call Money within the due date through First and Final Call Money Notice dated February 7, 2022, First Reminder Notice dated April 4, 2022 and Second and Final Reminder-cum Forfeiture Notice#2 dated November 7, 2022.

The Right Issue Committee forfeited 41,98,489 Partly Paid-up Shares on which Call Money after reminders has not received by the Company at their meeting held on i.e. January 05, 2023.

**(iii) Debt Reduction Program:**

The Company has paid back Rs. 30 Million Approx., taking the total amount of bank-debt reduced to Rs. 843 Million and the overall bank-debt reduction to Rs. 857 Million till date, paving the way towards becoming a 'ZERO Debt Company' in 2024.

We further report that;

**(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and all necessary provisions of the Act and Rules made thereunder were duly complied in this regard.**

- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent either giving seven days in advance or on shorter notice with requisite consent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Also, the Company has duly filed applicable forms and returns with the Registrar of Companies/ Ministry of Corporate Affairs within the prescribed time or with additional fee in cases of delayed filings. Few forms / returns (if any) which were due for filing during the financial year, the management has assured compliance with the same.

We further report that during the audit period, except the allotment of shares, as mentioned above in this report, there were no instance of:

- (i) Preference/debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations
- (v) Redemption / buy-back of securities

This Report is to be read with our letter of even date which is annexed as "Annexure 1" and forms an integral part of this report.

**For KUMAR G & Co.**  
**Company Secretaries**

**GUPTA P. K.**  
**Proprietor**  
**M. No. 14629**

**COP No. 7579**

**UDIN: A014629E000778744**

**Date: August 10, 2023**

**Place: New Delhi**

**'Annexure I'**

To,  
The Members,  
**VIKAS ECOTECH LIMITED,**  
34/1 Vikas Apartments,  
East Punjabi Bagh Delhi 110026

**Sub: Secretarial Audit for the Financial Year ended March 31, 2023 of even date is to be read with this letter**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For KUMAR G & Co.**  
**Company Secretaries**

**GUPTA P. K.**  
**Proprietor**  
**M. No. 14629**

**Date: August 10, 2023**  
**Place: New Delhi**

**COP No. 7579**  
**UDIN: A014629E000778744**

**SECRETARIAL COMPLIANCE REPORT**  
**VIKAS ECOTECH LIMITED**  
**FOR THE YEAR ENDED MARCH 31, 2023**

To  
The Members,  
**VIKAS ECOTECH LIMITED,**  
34/1 Vikas Apartments,  
East Punjabi Bagh Delhi 110026

We, Kumar G & Co, Company Secretaries have conducted the Secretarial Compliance Audit of the applicable SEBI Regulations and the circulars/ guidelines issued thereunder for the period ended March 31, 2023 of Vikas Ecotech Limited ("the listed entity").

The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

**We have examined:**

- a) all the documents and records made available to us, and explanation provided by the listed entity,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

**For the period ended March 31, 2023 in respect of compliance with the provisions of:**

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

**The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-**

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

\*Not Applicable to the period under review as there is no such transaction

We hereby report that, during the review period the compliance status of listed entity is appended as below:

S. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/Re- marks by PCS
1	Secretarial Standards: The Compliances of the Listed Entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	Nil
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/ guidelines issued by SEBI</li> </ul>	Yes  Yes	Nil  Nil

3	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed Entity is maintaining a functional website</li> <li>Timely dissemination of the documents/information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website</li> </ul>	Yes* Yes* Yes*	Nil Nil Nil
4	<b>Disqualification of Director:</b> None of the Director(s) of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the Listed Entity	Yes	Nil
5	<b>Details related to Subsidiaries of Listed Entities have been examined w.r.t.:</b> (a) identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA NA	Nil Nil
6	<b>Preservation of Documents:</b> The Listed Entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	Nil
7	<b>Performance Evaluation :</b> The Listed Entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations	Yes	Nil
8	<b>Related Party Transactions:</b> (a) The Listed Entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The Listed Entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	NA NA	Nil Nil
9	<b>Disclosure of events or information:</b> The Listed Entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10	<b>Prohibition of Insider Trading:</b> The Listed Entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Action(s) has been taken against the Listed Entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	Nil
12	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	Nil

\* with some delays and omissions, which were advised for correction during the audit process

Compliances related to resignation of Statutory Auditors from Listed Entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019:

S. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/Re- marks by PCS
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	i) If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	Nil
	ii) If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	Nil
	iii) If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	Nil
2	Other conditions relating to resignation of Statutory auditor		
	i) Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
	a) In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	Nil
	b) In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to nonreceipt of information / explanation from the company, the auditor has informed the Audit committee the details of information / explanation sought and not provided by the management, as applicable.	NA	Nil
	c) The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above communicate its views to management and the auditor.	NA	Nil
	ii) Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	Nil
3	The Listed Entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure - A in SEBI Circular CIR/CFD/CMD1/114 dated 18th October, 2019.	Yes	Nil

Based on the above examination, we hereby report that, during the period under Review:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S. No.	Compliance requirement (Regulations/ circular/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of action i.e. Advisory/ Fine/ Show cause notice/ warnings etc	Details of violations	Fine Amount	Observations/ Remarks by PCS	Management Response	Remarks
1.	SEBI (LODR), 2015	Regulation 30	Delay in reporting	-	-	Outcome of Board Meeting dated May 6, 2022 was delayed intimated to BSE by 15 minutes	-	Company has been advised to stay vigilant of the timelines as prescribed by SEBI.	-	-
2.	SEBI Circular	SEBI Circular No. SEBI/HO/ DDHS/ CIR/P/ 2018/144 dated November 26, 2018	Delay in reporting	-	-	Initial Disclosure was reported delayed to the stock exchanges on May 13, 2022 by 15 days from the due date of filing.	-	Company has been advised to stay vigilant of the timelines as prescribed by SEBI.	-	-
3	SEBI Regulations	SEBI Regulations	-	SEBI	Office bearers of the Company were summoned to provide details, information and to produce documents for Company's Right Issue, declaration of financials, trading in the scrip of the company	An investigation was initiated by the SEBI for the period of March 1, 2021 to October 12, 2021.	-	No fine or penalty was imposed so far.	Company' Officials have appeared and submitted their statements in the month of March, 2023, post that there is no further development.	-

b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Compliance requirement (Regulations/ circular/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of action i.e. Advisory/ Fine/ Show cause notice/ warnings etc	Details of violations	Fine Amount	Observations/ Remarks by PCS	Management Response	Remarks
NIL										

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**for KUMAR G & Co.  
Company Secretaries**

**Date : May 29, 2023  
Place: New Delhi**

**GUPTA P. K.  
ACS : 14629 | CP : 7579  
UDIN: A014629D000279960**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **VIKAS ECOTECH LIMITED**

Report on the Audit of the Financial Statements

### **Opinion**

We have audited the financial statements of **VIKAS ECOTECH LIMITED** ("the Company"), which comprise the balance sheet as at 31st March, 2023, the statement of Profit and Loss(Including Other Comprehensive Income), statement of changes in equity, and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

Subject to the possible impact due to matters reported in other matters para, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its profitand total comprehensive Profit, changes in equityand its cash flows for the period ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. Except for the documents/information related to matters mentioned in other matters para, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **OTHER MATTERS**

- a. Debtors includes debtors amounting to Rs. 5.85 Cr. which are overdue and outstanding for more than one year as on 31st March 2023. Further the debtors also includes debtors amounting to Rs. 3.24 Cr. (part of Rs. 5.85 crores) which are outstanding on account of dispute with the parties. The said balances are subject to provisioning for expected credit loss (ECL) on the basis of probability of recoverability. No provision is being done against these balances since as per the management balances are good and recoverable.
- b. Advance to suppliers includes advances of Rs. 1.65 Crores which are pending for more than one year and pending for adjustment as on 31st March 2023. No provision is being done against these balances since as per the management balances are good and recoverable.

Our opinion is not modified in respect of above matter.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-"A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 purposes of our audit except the information and explanation related to matters mentioned in other matters para.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books..
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income , statement of changes in equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
- d) In our opinion, except as otherwise disclosed in accounting policies and notes to the financial statements, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 statements – Refer Note 35 to the financial statements;
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.
- h) No dividend declared by the company declared or paid by the Company during the year.
- i) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting in respect of Audit trail clause is not applicable

**For KSMC & ASSOCIATES**

**Chartered Accountants**

**FRN: 003565N**

**(CA SACHIN SINGHAL)**

**Partner**

**M. No.: 505732**

**UDIN: 23505732BGUHV58660**

**Place: New Delhi**

**Date: 13.05.2023**

**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, 2023. 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 Property, Plant and Equipment;				In the absence of requisite documents and explanation, we are unable to comment on this.
	(B)	whether the company is maintaining proper records showing full particulars of intangible assets;				The company is only having one intangible asset and all the proper records in respect of same has been maintained by the company.
	(b)	whether these Property, Plant and Equipment 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;				In the absence of requisite documents and explanation, we are unable to comment on this.
	(c)	whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof in the format below:-				
		Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate
	According to the information provided to us, there is one property located in Jammu State which is held in name of Sigma Plastics Industries. The said firm was taken over by the company in the earlier years however, being leased property, the title of the said property could not be transferred in company's name due to some pending procedural conditions and formalities.					
	(d)	whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;				According to our information company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
	(e)	whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under, if so, whether the company has appropriately disclosed the details in its financial statements;				According to the information and explanation given to us the Company has no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under
(ii)	(a)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory 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.
	(b)	whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;				The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. For details on reconciliation, refer additional regulatory information point no. 43(l) of the financial statements.

(iii)	whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-	During the year the company has induced funds to the value of Rs. 5500 Lakhs in the companies in real estate sector in pursuance of collaboration agreement entered in to by the company. The said funds advanced has been treated as Investments made by the company and disclosed in note no. 6A of financial statements.
(a)	whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-	NA
(A)	the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;	NA
(B)	the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;	NA
(b)	whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;	Yes
(c)	in respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
(d)	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
(e)	whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];	NA
(f)	whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;	NA
(iv)	in respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;	Yes

(v)	in respect of deposits accepted by the company or amounts which are deemed to be 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 and the rules made 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;	According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable.
(vi)	whether maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained;	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. In this regard, Management Representation and certificate from cost auditor has been provided and relied upon by us being technical matter in nature.
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, 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>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. As on year end following are the unpaid statutory dues which are remaining unpaid since very long time:</p> <ol style="list-style-type: none"> <li>1. Income Tax payable AY 2020-21 Rs. 72,45,295/-</li> <li>2. Custom Duty Payable Rs. 1,06,38,175***</li> </ol> <p>** There was Income Tax liability for AY 2019-20 for Rs. 397.42 Lakhs as on 01st April 2022. Against this, the company has paid Rs. 270 Lakhs and adjusted balance liability (including current year interest) to the value of Rs. 159.37 Lakhs against the refund issued by the department for AY 2021-22 and AY 2022-23. As per intimation 143(1), the department has adjusted said refunds against demand of different assessment years. As explained to us, the department has wrongly adjusted demand of different assessment years instead of liability for AY 2019-20 and which needs to be rectified as there is no demand exists of any other assessment year. The adjustments so done by the company against liability of AY 2019-20 in books of accounts is pending for approval from Income Tax Department as rectification is to be done by dept.</p> <p>***This amount is payable against goods damaged in fire. Against this loss, the company had lodged the insurance claim with the Insurance Company. During the year, the claim has been partly settled by the insurance company. Regarding short claim, the Company has already filled its objection with respect to short amount of insurance claim received from OIC, which is pending as on date. In view of this, the abovementioned amount payable has been put on hold for payment and shall be paid as and when insurance company settles the pending insurance claim.</p>

	(b)	where statutory dues referred to in sub-clause (a) 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);	For amounts which are not paid on account of disputes for which appeals are pending, refer <b>Note 35</b> to Financial Statements for the year ended 31st March 2023.				
(viii)		whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;	There were no such transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)				
(ix)	(a)	(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, 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. (b) if yes, the period and the amount of default to be reported as per the format below:-					
		Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
			*lender wise details to be provided in case of defaults to banks, financial institutions and Government.		NA		
	(b)	whether the company is a declared wilful defaulter by any bank or financial institution or other lender;		The company has not been declared willful defaulter by any bank or financial institution or other lender or any government authority.			
	(c)	whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;		The Company has not taken term loan during the year. Hence the paragraph 3 (IX)(c) of the Order is not applicable			
	(d)	whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;		The company has not raised any funds during the year and hence this para of the order is not applicable			
	(e)	whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;		The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.			
	(f)	whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;		The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.			
(x)	(a)	whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year 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;		During the year the company has received call money from shareholders with respect to partly paid upshares against the right issue of previous year (FY 2021-22) which were applied for the purposes for which they were raised. Besides this, according to the information and explanation given to us the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments)			

	(b)	whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;	As per information and explanation given to us the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
(xi)	(a)	whether any fraud by the company or any fraud on the company 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, No fraud on or by the Company has been noticed or reported during the course of our audit or reported.
	(b)	whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;	No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
	(c)	whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;	As explained to us, during the year no such complaints were received by the company.
(xii)	(a)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;	As per information and explanations given to us the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
	(b)	whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	NA
	(c)	whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;	NA
(xiii)		whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;	As per information and explanation given to us all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act 2013 where applicable and the details have been disclosed in the financial statement, as required by the applicable Ind AS accounting standards
(xiv)	(a)	whether the company has an internal audit system commensurate with the size and nature of its business;	In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
	(b)	whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;	We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
(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 have been complied with;	As per information and explanation given to us the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3 (xv) of the Order is not applicable.
(xvi)	(a)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;	As per information and explanation given to us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934
	(b)	whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;	As per information and explanation given to us the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

	(c)	whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;	The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
	(d)	whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;	In our opinion there is no Core Investment Company (CIC) in Group as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi)(d) of the Order is not applicable.
(xvii)		whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;	The company has not incurred cash losses during the financial year and in the immediately preceding financial year.
(xviii)		whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;	There is no resignation of the statutory auditors of the company during the year.
(xix)		on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;	On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this not an assurance as to the future viability of the company. We further that our reporting is based on the facts up to the date the audit report and we neither give guarantee nor assurance that all liabilities falling due within a period of a one year from the balance sheet date, will get discharged by the company as and when they fall due.
(xx)	(a)	whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;	Not applicable as during the year the company is not covered under section 135 of the Companies Act 2013
	(b)	whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;	Not applicable as during the year the company is not covered under section 135 of the Companies Act 2013

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

**CA SACHIN SINGHAL**  
**Partner**

**Place: New Delhi**

**Date : 13.05.2023**

**Membership No.: 505732**

**UDIN: 23505732BGUHV58660**

**Annexure “B”**

(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, 2023 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, 2023, 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.

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

**CA SACHIN SINGHAL**  
Partner

Membership No.: 505732  
UDIN: 23505732BGUHV58660

Place: New Delhi  
Date: 13.05.2023

## BALANCE SHEET AS AT 31 MARCH 2023

(Amount in Lakhs except share and per equity share data)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,121.65	2,030.24
Investment Property	5	741.51	779.78
Financial assets			
Trade receivables	10	534.39	455.50
Other financial assets	6	406.19	123.05
Investments	6A	5,500.00	-
Deferred tax assets (net)	7	58.71	58.94
Other non-current assets	8	1,992.49	3,304.99
		<b>11,354.94</b>	<b>6,752.50</b>
<b>Current assets</b>			
Inventories	9	3,538.43	8,216.88
Financial assets			
Trade receivables	10	14,102.24	13,032.20
Cash and cash equivalents	11	20.76	279.77
Other bank balances	12	379.75	856.12
Other financial assets	13	153.74	260.20
Other current assets	14	4,709.70	5,039.26
		<b>22,904.62</b>	<b>27,684.42</b>
<b>TOTAL ASSETS</b>		<b>34,259.56</b>	<b>34,436.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	9,485.76	9,393.37
Other equity	16	14,308.43	13,370.06
<b>Total equity</b>		<b>23,794.19</b>	<b>22,763.43</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17(a)	-	<b>305.05</b>
Other financial liabilities	18c	-	43.21
Provisions	18a	23.40	24.14
		<b>23.40</b>	<b>372.40</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17(b)	6,178.07	8,747.60
Trade payables	19		
Total outstanding dues of Micro & Small Enterprises		301.15	597.96
Total outstanding dues of creditors other than Micro & Small Enterprises		2,401.53	934.78
Other financial liabilities	20	1,206.86	989.62
Provisions	18b	0.56	0.63
Other current liabilities	21	353.81	30.51
Current tax liabilities (net)	7	-	-
		<b>10,441.97</b>	<b>11,301.10</b>
<b>Total liabilities</b>		<b>10,465.37</b>	<b>11,673.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,259.56</b>	<b>34,436.92</b>

NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 43

As per our report of even date attached

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

FOR KSMC AND ASSOCIATES

Chartered Accountants  
(FRN: 003565N)

FOR KSMC AND ASSOCIATES  
Chartered Accountants  
(FRN: 003565N)

VIKAS GARG  
(MANAGING DIRECTOR)  
00255413

VIVEK GARG  
(DIRECTOR)  
00255443

CA.SACHIN SINGHAL  
Membership No.: 505732  
UDIN: 23505732BGUHV8660

PRASHANT SAJWANI  
(COMPANY SECRETARY)

AMIT DHURIA  
(CHIEF FINANCIAL OFFICER)

BALWANT KUMAR BHUSHAN  
(CHIEF EXECUTIVE OFFICER)

Place: NEW DELHI  
Date: 13.05.2023

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Lakhs except share and per equity share data)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Revenue from operations	22	40,266.89	25,042.40
Other income	23	317.80	173.31
<b>Total Revenue</b>		<b>40,584.69</b>	<b>25,215.71</b>
Cost of raw material and components consumed	24	13,894.80	9,985.25
Purchase of traded goods	25	22,482.17	11,691.80
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	26	18.05	52.34
Employee benefits expense	27	254.76	234.09
Depreciation expense	28	396.19	360.34
Finance costs	29	1,064.11	1,908.61
Other expenses	30	1,425.65	773.81
<b>Total expense</b>		<b>39,535.73</b>	<b>25,006.25</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>1,048.96</b>	<b>209.46</b>
Exceptional items		-	-
<b>Profit/(loss) before and tax</b>		<b>1,048.96</b>	<b>209.46</b>
<b>Income tax expense:</b>			
Current tax		58.94	(3.70)
Interest on Income Tax earlier year		37.08	62.35
Deferred tax		0.23	11.57
<b>Income tax expense</b>		<b>96.25</b>	<b>70.22</b>
<b>Profit for the year</b>		<b>952.72</b>	<b>139.24</b>
<b>Other comprehensive income</b>			
		-	
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains (losses)		5.56	14.71
Income tax effect		(1.40)	(3.70)
<b>Net other comprehensive income (net of tax) not to be reclassified to profit or loss in subsequent periods</b>		<b>4.16</b>	<b>11.01</b>
<b>Total Comprehensive income for the year</b>		<b>956.87</b>	<b>150.25</b>
<b>Earnings per share</b>			
Basic EPS	32	0.10	0.02
Diluted EPS		0.10	0.02

NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 43

As per our report of even date attached

**FOR KSMC AND ASSOCIATES**  
Chartered Accountants  
(FRN: 003565N)

**VIKAS GARG**  
(MANAGING DIRECTOR)  
00255413

**VIVEK GARG**  
(DIRECTOR)  
00255443

**CA.SACHIN SINGHAL**  
Membership No.: 505732  
UDIN: 23505732BGUHV8660

**PRASHANT SAJWANI**  
(COMPANY SECRETARY)

**AMIT DHURIA**  
(CHIEF FINANCIAL OFFICER)

**BALWANT KUMAR BHUSHAN**  
(CHIEF EXECUTIVE OFFICER)

Place: NEW DELHI  
Date: 13.05.2023

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Lakhs except share and per equity share data)

**A. Equity share capital**

(Amount in Lakhs)

Particulars	For the year ended 31 March 2023	
	Issued Capital	
	Number of Shares	Amount (INR)
Balance as at 1 April 2022	9,393.37	9,393.37
Shares issued during the year	92.39	92.39
<b>Balance as at 31 March 2023</b>	<b>9,485.76</b>	<b>9,485.76</b>

**B. Other equity**

Particulars	For the year ended 31 March 2022						
	Share premium	General Reserve	Retained Earnings	Other Reserves	Share Application Money Pending for Allotement	Other Comprehensive income	Total
Balance as at 1 April 2022	4,195.65	1,471.20	7,562.62	9.66	107.53	23.40	<b>13,370.06</b>
Profit for the year	-	-	952.72	-	-	-	<b>952.72</b>
Additions during the year	33.59	-	-	-	(107.53)	-	<b>(73.94)</b>
Other comprehensive income	-	-	-	-	-	4.16	<b>4.16</b>
Call in Arrears	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>4,229.23</b>	<b>1,471.20</b>	<b>8,515.33</b>	<b>9.66</b>	<b>(0.00)</b>	<b>27.56</b>	<b>14,252.99</b>
Premium on shares issued during the year	55.44	-	-	-	-	-	<b>55.44</b>
Final dividend on equity shares	-	-	-	-	-	-	-
Tax on final dividend on equity shares	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>4,284.67</b>	<b>1,471.20</b>	<b>8,515.33</b>	<b>9.66</b>	<b>(0.00)</b>	<b>27.56</b>	<b>14,308.43</b>

NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 43

As per our report of even date attached

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

**FOR KSMC AND ASSOCIATES**  
Chartered Accountants  
(FRN: 003565N)

**VIKAS GARG**  
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Membership No.: 505732  
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**PRASHANT SAJWANI**  
(COMPANY SECRETARY)

**AMIT DHURIA**  
(CHIEF FINANCIAL OFFICER)

**BALWANT KUMAR BHUSHAN**  
(CHIEF EXECUTIVE OFFICER)

Place: NEW DELHI  
Date: 13.05.2023

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Lakhs)

	As at 31 March 2023"	As at 31 March 2022"
<b>Operating activities</b>		
Profit before tax	1,048.96	209.46
<b>Profit before tax</b>		
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and impairment of property, plant and equipment	396.19	360.34
Finance income	(26.55)	(59.67)
Other comprehensive income	4.16	11.01
Finance costs	1,064.11	1,908.61
Profit/Loss on sale of Investment	-	(1.33)
Profit/Loss on sale of Fixed Assets	(17.99)	(1.35)
Rental income	(92.47)	(92.50)
<b>Working capital adjustments:</b>		
(Increase)/ decrease in inventories	4,678.45	1,943.63
(Increase)/ decrease in trade receivables	(1,148.93)	(4,926.23)
(Increase)/ decrease in other bank balances	476.37	41.08
(Increase)/ decrease in other financial assets	(176.67)	(342.24)
(Increase)/ decrease in other assets	1,642.06	1,426.26
(Decrease)/ increase in trade payables	1,169.93	(2,143.96)
(Decrease)/ increase in other financial liabilities	459.27	(4.14)
(Decrease)/ increase in provisions	(0.80)	(1.70)
(Decrease)/ increase in other current liabilities	280.09	(41.73)
(Decrease)/ increase in Current tax liabilities (net)	-	(0.03)
<b>Cash generated from operations</b>	<b>9,756.19</b>	<b>(1,714.50)</b>
Income tax paid	(96.03)	(70.22)
<b>Net cash flows from operating activities</b>	<b>9,660.16</b>	<b>(1,784.72)</b>
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	69.38	37.78
Proceeds from sale of Investments	-	5.33
(Increase)/ decrease in Investments	(5,500.00)	6.60
(Increase)/ decrease in Other Non Current Assets	-	-
Purchase of property, plant and equipment	(500.73)	(171.28)
Rental income	92.47	92.50
Interest received	26.55	59.67
<b>Net cash flows used in investing activities</b>	<b>(5,812.32)</b>	<b>30.61</b>
<b>Financing activities</b>		
Proceeds from Right Issue including share premium, share forfeiture money	181.41	9,641.32
Issuance of fresh shares from Share Application pending for Allotment	(107.53)	107.53
(Repayment)/Proceeds from borrowings - Non Current	(305.05)	(231.00)
(Repayment)/Proceeds from borrowings - Current	(2,811.56)	(5,607.35)
Interest paid	(1,064.11)	(1,908.61)
<b>Net cash flows from/(used in) financing activities</b>	<b>(4,106.83)</b>	<b>2,001.89</b>
<b>Net increase in cash and cash equivalents</b>	<b>(259.00)</b>	<b>247.78</b>
Cash and cash equivalents at the beginning of the year	279.77	31.99
<b>Cash and cash equivalents at year end</b>	<b>20.77</b>	<b>279.77</b>

As per our report of even date attached

**FOR KSMC AND ASSOCIATES**  
Chartered Accountants  
(FRN: 003565N)

**VIKAS GARG**  
(MANAGING DIRECTOR)  
00255413

**VIVEK GARG**  
(DIRECTOR)  
00255443

**CA.SACHIN SINGHAL**  
Membership No.: 505732  
UDIN: 23505732BGUHV8660

**PRASHANT SAJWANI**  
(COMPANY SECRETARY)

**AMIT DHURIA**  
(CHIEF FINANCIAL OFFICER)

**BALWANT KUMAR BHUSHAN**  
(CHIEF EXECUTIVE OFFICER)

Place: NEW DELHI  
Date: 13.05.2023

## 1. Corporate information

Vikas Ecotech Limited ('the Company') is a Delhi based professionally managed Company incorporated on 30 November, 1984 under the Companies Act, 1956, having its registered office at Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi – 110026 and is listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE).

The Company is an emerging player in the global arena engaged in the business of high-end specialty chemicals. It is an integrated, multi-specialty product solutions company, producing a wide variety of superior quality, eco-friendly additives and rubber-plastic compounds. Its additives and rubber-plastic compounds are process-critical and value-enabling ingredients used to manufacture a varied cross-section of high-performance, environment-friendly and safety-critical products. From agriculture to automotive, cables to electrical, hygiene to healthcare, polymers to packaging, textiles to footwear, the Company's products serve a diverse range of global industry needs. The Company has its manufacturing plants in the state of Rajasthan. The Company has started its manufacturing unit of MS sockets & pipe fittings in Ghaziabad during last fiscal year. The said space/premises has been taken on lease. Further, the company has also commenced operations/trading/dealing from Delhi, in TMT Bars, Steel, HR Coils, CR Coils, ERW pipes, to cater need of infrastructure & different industries/segment.

Apart from above, the Company has started venturing into the energy business segment of Coal, during the current financial year. The company has also exploring opportunities in the infrastructure developments and in renewable energy businesses like the Gas Distribution business, the solar power and the Hydrogen Cell Power gensets for commercial applications.

## 2. Basis of preparation

### a) Statement of compliance:

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2017 with transition date of 1 April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, these financial statements have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition was carried out from the accounting principles generally accepted in India (Indian GAAP) which is considered as previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has impacted the Company's equity and profits.

### b) Basis of measurement:

The financial statements have been prepared on accrual and going concern basis and historical cost convention, except for certain financial assets and liabilities which have been measured at fair value or amortised cost, as required under relevant Ind AS.

### c) Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods..

#### Judgments

Information about significant areas of estimation/ uncertainty and judgements in applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Reference	Significant judgement and estimates
Note 3(b)	Measurement of useful life and residual values of property, plant and equipment
Note 3©	Impairment test of non-financial assets: key assumptions underlying recoverable amounts
Note 3(l) and 33	Measurement of defined benefit obligations: key actuarial assumptions
Note 35	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
Note 3(o) and 37	Fair value measurement of financial assets and liabilities
Note 3(i)	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

### **3. Summary of significant accounting policies**

#### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ Non-current classification.

##### **Assets**

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liability**

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current liabilities include the current portion of non-current financial liabilities. The Company classifies all other liabilities as non-current.

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

#### **Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle basis the nature of business.

#### **b) Property, plant and equipment**

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditures related to an item of property, plant and equipment are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized, when replaced. All other repair and maintenance costs are recognised in the Statement of Profit and Loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

#### **Depreciation methods, estimated useful lives and residual values**

Assets are depreciated to the residual values on a written down value method over the estimated useful lives of the assets, derived as per the Schedule II of the Companies Act, 2013, which are as follows:-

<b>Useful lives</b>	
Office building	60 years
Leasehold Improvement (Office)	60 years
Leasehold Improvement (Factory Building)	30 years
Plant and machinery	10 - 15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles – Motor cycles and scooters	10 years
Vehicles – Motor cars	8 years
Computers	3 years
Leasehold land	Period of lease or useful life, whichever is less

In case of intangible assets, amortisation has been done considering useful life derived on the basis of management judgement and estimate.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively, as appropriate.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/ (losses). Depreciation is calculated on a pro-rata basis for assets purchased/ sold during the year.

**c) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that a non-financial asset maybe impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

**d) Leases – Company as a lessee**

The determination of whether an arrangement is(or contains) a lease is based on the substance of an arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight-lined. Contingent rents are recognized as expense in the period in Statement of Profit and Loss in which they are incurred.

**e) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

**f) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fairvalue plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

**Classification and subsequent measurement**

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- Financial assets at amortized cost

- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity investments measured at fair value through other comprehensive income (FVTOCI)

#### Financial assets at amortised cost

The category applies to the Company's trade receivables, unbilled revenue, other bank balances, security deposits, etc.

A financial asset being a 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### Financial assets at FVTOCI

A financial asset being a 'debt instrument' is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

#### Financial assets at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. The Company does not have any financial assets which are measured through FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. There are no such investments in the Company.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, security deposits, etc.

#### **Classification and subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

##### **Financial liabilities at amortised cost**

This category includes security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

##### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

##### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **g) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

#### **Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the customer. Sales are net off sales returns, free quantities delivered and trade discounts.

#### **Export Incentives**

The Company recognises Export incentives such as MEIS License as per accounting principal i.e. on accrual basis.

#### **Commission**

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission earned by the Company. Further, Company also provides services related to Export Facilitation and the same has been recognised as sale of services under Revenue from Operations.

#### **Rental income**

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leasing is also recognised in a similar manner and included under other income.

#### **Interest income**

Interest income on financial assets (including deposits with banks) is recognised as it accrues in Statement of Profit and Loss, using the effective interest rate (EIR) method (i.e. time proportionate basis) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### **Government grants**

An unconditional government grant related to a biological asset that is measured at fair value less cost to sell is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant, they are recognised in profit or loss as other operating revenue on a systematic basis. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on systematic basis in which such expenses are recognised.

#### **Other operating income**

Other operating income is recognised on accrual basis (i.e. time proportionate basis) in the accounting period in which services are rendered and in accordance with the terms of the agreement.

### **h) Inventories**

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is based on the first-in-first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Cost incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: Purchase cost on first-in-first out basis
- Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs
- Inventory related to real estate division: Valued at cost incurred

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Obsolete, slow moving, defective inventories, shortage/ excess are identified at the time of physical verification of inventories and wherever necessary provision/ adjustment is made for such inventories.

**i) Income taxes**

Income tax expenses comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

**Current tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Minimum Alternate Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in the Balance sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**j) Dividend payments**

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**l) Retirement and other employee benefits**

Short term employee benefits are measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The Company post-employment benefits include defined benefit plan and defined contribution plans.

Contribution payable by the Company to the central government authorities in respect of provident fund, pension fund and employee state insurance are defined plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in Statement of Profit & Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Profit and Loss. The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Gratuity is covered under the Gratuity policy respectively, of Life Insurance Corporation of India (LIC).

All expenses excluding re-measurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**m) Provisions**
**i) General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

**ii) Contingent assets/liabilities**

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**n) Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares (such as preferential shares, ESOP, share warrants, share application money, etc.) into equity shares.

**o) Fair value measurement**

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- I. Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- II. Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- III. Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

**p) Foreign currency**

**Functional and presentation currency**

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information is presented in INR, except where otherwise stated.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fairvalue is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange gains/ (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

**q) Corporate social responsibility expenditure**

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance notion "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from 1 April 2015, CSR expenditure is recognised as an expense in the Statement of Profit and Loss in the period in which it is incurred.

**4. Segment Reporting**

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in these financial statements. Operating segments have been identified on the basis of the nature of products. In accordance with Ind AS 108, Operating Segments, the Company has identified and disclosed the following segment information in the financial statements.

- 1) Infra & Energy
- 2) Chemical, Polymers & Special Additives
- 3) Real Estate

**5. Property, plant and equipment**

Particulars	Leasehold Land	Office Building	Lease Hold Improvements (Factory Building)	Plant and equipment	Furniture & fixtures	Vehicles	Office Equipment	Computers	Intangible Assets	Total
<b>Cost or valuation</b>	<b>Gross Value</b>									
At 1 April 2022	478.18	30.65	813.20	3,068.25	30.65	149.28	98.85	77.18	91.90	4,838.13
Additions	-	-	13.11	455.53	-	24.40	6.28	1.40		500.73
Assets classified as Investment Property *	-	-								-
Disposals / Assets Held for Sale #	-	0.14	-	194.81		5.53				200.48
<b>Impairment Loss</b>		<b>2.64</b>		<b>43.40</b>	<b>0.27</b>					<b>46.31</b>
<b>At 31 March 2023</b>	<b>478.18</b>	<b>27.86</b>	<b>826.31</b>	<b>3,285.57</b>	<b>30.37</b>	<b>168.14</b>	<b>105.14</b>	<b>78.58</b>	<b>91.90</b>	<b>5,092.05</b>
<b>Depreciation</b>	<b>Accumulated Depreciation</b>									
At 1 April 2022	43.54	2.76	413.19	1,985.65	26.06	143.99	86.07	75.10	31.53	2,807.89
Charge for the year	6.35	0.83	40.01	230.90	0.80	5.30	4.44	1.15	21.83	311.60
Assets classified as Investment Property *						-			-	-
Disposals / Assets Held for Sale #	-	-	-	-144.43		-4.66				-149.08
<b>At 31 March 2023</b>	<b>49.89</b>	<b>3.59</b>	<b>453.21</b>	<b>2,072.12</b>	<b>26.85</b>	<b>144.64</b>	<b>90.51</b>	<b>76.25</b>	<b>53.35</b>	<b>2,970.40</b>
<b>Net book value</b>										
<b>At 31 March 2023</b>	<b>428.29</b>	<b>24.27</b>	<b>373.10</b>	<b>1,213.45</b>	<b>3.52</b>	<b>23.51</b>	<b>14.63</b>	<b>2.33</b>	<b>38.55</b>	<b>2,121.65</b>
<b>At 31 March 2022</b>	<b>434.63</b>	<b>27.89</b>	<b>400.01</b>	<b>1,082.60</b>	<b>4.59</b>	<b>5.29</b>	<b>12.78</b>	<b>2.08</b>	<b>60.37</b>	<b>2,030.24</b>

**5. i. Investment Property**

Particulars	Investment Properties
<b>Cost or valuation</b>	
At 1 April 2021	915.06
Reclassified from PPE*	-
Reclassified from Assets Held for Sale	-
Disposals	-
<b>At 31 March 2022</b>	<b>915.06</b>

<b>Depreciation</b>	
At 1 April 2021	135.28
Reclassified form PPE*	-
Charge for the year	38.27
Disposals	-
<b>At 31 March 2022</b>	<b>173.55</b>
<b>Net book value</b>	
At 31 March 2023	741.51
At 31 March 2022	779.78
*Asset has been reclassified as Investment property as per IND AS 40 as property interests held under a lease accounted for as an operating lease.	

#### Non - Current

#### 6. Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Security deposit	47.44	45.37
Recoverable from statutory authorities (including amount deposited under protest)	336.24	36.25
Other Advances	22.51	41.43
	<b>406.19</b>	<b>123.05</b>

#### 6 A. Investments

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at Cost)		
Investments	-	-
BG Technocrats Pvt. Ltd.	4,450.00	
Nice Apartment Constructions Pvt. Ltd.	1,050.00	
	<b>5,500.00</b>	<b>-</b>

The company has entered into arena of Green-Enviro-friendly Infrastructure Development Projects in collaboration with M/s Nice Apartment Constructions Pvt Ltd and BG Technocrats Private Limited (a company engaged in Real Estate Development of Commercial and Residential Projects in Delhi NCR) and made an initial Investment of Rs.5500 Lakhs.

#### 7. Taxes

##### a) Amounts recognised in Statement of profit and loss comprises:

The major component of income tax expense:

##### i) Statement of profit and loss

Particulars	As at 31 March 2023	As at 31 March 2022
Current tax	58.94	(3.70)
Deferred tax	0.23	11.57
Excess/ Short provision relating earlier year tax	-	-
<b>Income tax expense</b>	<b>59.16</b>	<b>7.87</b>

##### ii) Other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax benefit on re-measurement of defined benefit plan	1.40	3.70
<b>Income tax charged to OCI</b>	<b>1.40</b>	<b>3.70</b>

##### b) Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Current tax assets	-	136.34
Current tax liabilities	<b>60.34</b>	<b>-</b>

\* Amount shown above included under other taxes recoverable Note-13 \*Other financial assets\*

##### c) Reconciliation of effective tax rate

Particulars	As at 31 March 2023	As at 31 March 2022
Net income before tax	1,054.52	224.17
Enacted tax rate in India	25.17%	25.17%
<b>Computed tax expense</b>	<b>265.40</b>	<b>56.42</b>

<b>Increase/ decrease in taxes on account of:</b>		
Tax effect on exempted income under Income-tax Act	-	-
Adjustment on account of Demerger		
Tax impact of restatement of Prior period items	-	-
Adjustment on account of brought forward losses/unabsorbed Dep.	-204.41	-146.09
Adjustment on account of other than permanent difference	4.81	-10.15
Adjustment on account of permanent difference	-5.46	99.82
Excess/ Short provision relating earlier year tax		
Income tax expense recognised in the statement of profit and loss	<b>60.34</b>	<b>-0.00</b>

**d) Deferred tax asset/ (liabilities)**

<b>Deferred tax asset in respect of:</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Property, plant and equipment	48.64	53.39
Provision for Gratuity, Bonus & Leave Encashment	5.31	5.55
Provision for Doubtful Recovery	4.76	
<b>Total deferred tax asset</b>	<b>58.71</b>	<b>58.94</b>

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by same taxation authority. During the year the Company has decreased its existing Deferred Tax Assets to Rs. 58.71 lakhs

**e) Reconciliation of deferred tax assets**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Opening balance	58.94	70.51
Tax credit during the year recognised in Statement of profit and loss	0.23	11.57
<b>Closing balance</b>	<b>58.71</b>	<b>58.94</b>

**8. Other non-current assets**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<i>Unsecured, considered good unless otherwise stated</i>		
Capital advances	1,794.65	1,794.65
Other Non Current Assets	8.26	7.04
MEIS Licence	24.55	26.44
Advance to suppliers*	165.02	1,476.86
	<b>1,992.49</b>	<b>3,304.99</b>

\*Advance to suppliers are subject to confirmation / reconciliation, consequential adjustment if any.

**9. Inventories**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<i>At cost or net realisable value, whichever is lower</i>		
Raw materials	2,530.20	7,377.74
Finished goods	959.80	786.62
Packing Material	13.96	
Real estate Inventory	34.48	52.52
	<b>3,538.43</b>	<b>8,216.88</b>

(Valued and certified by the Company's Management, Independent Cost Accountant and Relied upon by Auditors)

The Company is in the business of High End additives and rubber-plastic compounds and accordingly deals in numerous items such as Tin Alloy / Ingots, 2EthylhexylThioglycolate, Tinmate, Hydrogen Peroxide, PVC Resin, Styrene Butadiene Copolymer, Styrene Butadiene Styrene, Methyl Chloride (Gas) etc. Keeping in view the nature of industry and vast number of items, it is not practical for the Company to give item wise break up of different type of products.

**10. Trade receivables**

<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<i>Unsecured, considered good unless otherwise stated</i>		
-Disclosed under Non-Current Assets	534.39	455.50
-Disclosed under Current Assets	14,102.24	13,032.20
	<b>14,636.63</b>	<b>13,487.70</b>

Trade receivables are subject to confirmation / reconciliation, consequential adjustment if any and verification from Bank realisation certificates

The carrying amount of trade receivables approximates their fair value, is included in note 37.

The Company's exposure to credit risk and impairment allowances related to trade receivables is disclosed in Note 41.

**10. i. Trade receivables**

		Amount Classified under Current Assets			Amount Classified under Non Current Assets		(Amount in Lakhs)
Particulars		Outstanding for following periods from due date of payment as at 31st March 2023					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables-considered good	13,823.72	227.64	50.88	135.74	74.77	14,312.74
(ii)	Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables-considered good	-	-	-	2.71	321.18	323.88
(v)	Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total		13,823.72	227.64	50.88	138.45	395.94	14,636.63

Trade receivables are subject to confirmation / reconciliation, consequential adjustment if any and verification from Bank realisation certificates.

The carrying amount of trade receivables approximates their fair value, is included in note 37.

The Company's exposure to credit risk and impairment allowances related to trade receivables is disclosed in Note 41.

		Amount Classified under Current Assets			Amount Classified under Non Current Assets		(Amount in Lakhs)
Particulars		Outstanding for following periods from due date of payment as at 31st March 2022					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables-considered good	12,844.49	36.41	148.59	115.47	18.86	13,163.81
(ii)	Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables-considered good	-	-	2.71	116.43	204.75	323.88
(v)	Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total		12,844.49	36.41	151.30	231.90	223.61	13,487.70

**11. Cash and cash equivalents**

Particulars	As at 31 March 2023	As at 31 March 2022
Cash in hand	1.13	9.29
Balance with banks		
On current accounts	9.68	257.87
Unpaid dividend account	9.96	12.61
	<b>20.76</b>	<b>279.77</b>

**12. Other bank balances**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deposits with bank held as margin money</b>		
Bank deposits (with maturity within 12 months from the reporting date)	379.75	856.12
	<b>379.75</b>	<b>856.12</b>

**13. Other financials Assets**

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Interest accrued but not due on deposits	0.56	0.56
Other taxes recoverable	103.21	161.08
Security Deposits Refundable	49.97	98.56
	<b>153.74</b>	<b>260.20</b>

**14. Other current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to suppliers*	4,302.78	5,002.52
Advance to employees	19.93	7.33
Other taxes credits	0.00	0.01
Prepaid expenses	13.02	27.06
Other Current Assets	373.96	2.34
	<b>4,709.70</b>	<b>5,039.26</b>

\*Advance to suppliers are subject to confirmation / reconciliation, consequential adjustment if any.

**15. Share capital**
**a) Equity share capital**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Authorised shares</b>		
1,50,00,00,000 equity shares of Re. 1 each	15,000.00	3,200.00
<b>Issued, subscribed and fully paid-up shares</b>		
279,899,675 equity shares of Re. 1 each	2,799.00	2,799.00
<b>363,869,577 equity shares of Re. 1 each</b>	3,638.70	3,638.70
29,55,67,595 equity shares of Re. 1 each	2,955.68	2,955.68
74,92,368 equity shares of Re. 1 each	74.92	-
17,46,809 equity shares of Re. 1 each	17.47	-
	<b>9,485.76</b>	<b>9,393.37</b>

**b) Reconciliation of number of shares outstanding at the beginning and end of year**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Equity shares, issued, subscribed and fully paid-up</b>		
Shares at the beginning of the year	9,393.37	2,799.00
Issued during the year	92.39	6,594.37
<b>Shares at the end of the year</b>	<b>9,485.76</b>	<b>9,393.37</b>

**c) Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

**d) Shareholding of Promoters**

Shares held by promoters at 31.03.2023

Particulars	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	% of Total Shares	% of change	No. of Shares	% of Total Shares	% of change
<b>Promoter</b>						
<b>VIKAS GARG</b>	7,86,43,933	8.29%	0.00%	7,86,43,933	8.29%	8.07%
<b>Promoter Group</b>						
<b>VIKAS GARG HUF</b>	5,02,750	0.05%	0.00%	5,02,750	0.05%	-1.13%
NAND KISHORE GARG	32,775	0.00%	0.00%	32,775	0.00%	-0.01%
SEEMA GARG	2,175	0.00%	0.00%	2,175	0.00%	0.00%
VIVEK GARG	21,550	0.00%	0.00%	21,550	0.00%	-0.38%
ISHWAR GUPTA	42,800	0.00%	0.00%	42,800	0.00%	-0.01%
NAND KISHORE GARG HUF	37,750	0.00%	0.00%	37,750	0.00%	-0.12%
JAI KUMAR GARG HUF	18,500	0.00%	0.00%	18,500	0.00%	-0.40%
ASHA GARG	8,025	0.00%	0.00%	8,025	0.00%	0.00%
USHA GARG	5,33,000	0.06%	0.00%	5,33,000	0.06%	-0.74%

JAI KUMAR GARG	19,750	0.00%	0.00%	19,750	0.00%	-0.36%
VAIBHAV GARG	5,000	0.00%	0.00%	5,000	0.00%	0.00%
SUKRITI GARG	48,325	0.01%	0.00%	48,325	0.01%	-0.01%
SUKRITI WELFARE TRUST	44,56,550	0.47%	0.00%	44,56,550	0.47%	-1.12%
VINOD KUMAR GARG & SONS HUF	-	0.00%	0.00%		0.00%	-0.18%

e) **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2023	
<b>Equity shares, issued, subscribed and fully paid-up</b>	<b>No. of shares</b>	<b>%age</b>
Vikas Garg	7,86,43,933	8.29%

Particulars	As at 31 March 2022	
<b>Equity shares, issued, subscribed and fully paid-up</b>	<b>No. of shares</b>	<b>%age</b>
Vikas Garg	7,86,43,933	8.29%

f) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

The Company has not issued any share for consideration other than cash during the period of five year immediately preceding 31 March 2023.

16. **Other equity**

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium	4,284.67	4,195.65
General reserve	1,471.20	1,471.20
Retained earnings	8,515.33	7,562.62
Other reserve	9.66	9.66
Share Application Money Pending for Allotement	(0.00)	107.53
Other comprehensive income	27.56	23.40
	<b>14,308.43</b>	<b>13,370.06</b>

a) **Securities premium**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening balance</b>	4,195.65	1,148.70
Additions during the year on account of shares shares forfeiture	33.59	
Additions during the year on account of issue of equity shares	55.46	3,046.95
Reduction on account of repayable of Application money	(0.02)	
<b>Closing balance</b>	<b>4,284.67</b>	<b>4,195.65</b>
		89.02

b) **General reserve**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening balance</b>	1,471.20	1,471.20
<b>Closing balance</b>	<b>1,471.20</b>	<b>1,471.20</b>

c) **Retained earnings**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening balance</b>	7,562.62	7,423.38
Additions during the year	952.72	139.24
Less: Final dividend on equity shares	-	-
Less: Tax on final dividend on equity shares	-	-
<b>Closing balance</b>	<b>8,515.33</b>	<b>7,562.62</b>

d) **Other reserves (capital reserve)**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening balance</b>	9.66	9.66
Additions during the year	-	-
<b>Closing balance</b>	<b>9.66</b>	<b>9.66</b>

**e) Share Application Money Pending for Allotement**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	107.53	-
*Additions during the year	14.12	-
Adjusted during the year	(121.65)	-
Closing balance	(0.00)	107.53

**f) Forfeiture of Share Application Money**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	-	-
*Additions during the year	-	-
Deletions during the year	-	-
Closing balance	-	-

**g) Other Comprehensive Income – Re-measurement of defined benefit plans (net of tax)**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	23.40	12.39
Actuarial gains/ (losses) on defined benefit plan for the year (net of tax)	4.16	11.01
Closing balance	27.56	23.40

**17. Borrowings**
**a) Non-current borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
Loan from banks and Others		
Fixed assets loans	-	305.05
Total non-current borrowings	-	305.05

**b) Current borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
Current portion of secured term loan from banks		
Secured Loans		
Business loan	-	162.79
Fixed assets loans	-	79.23
Cash credit limits – Repayable on demand		
Bank of Baroda	577.84	1,009.93
Punjab National Bank	4,365.41	4,580.44
State Bank of India	1,125.67	1,807.86
Unsecured Loans		
Unsecured Loan	109.15	1,349.37
	6,178.07	8,989.63
Less: Amount disclosed under 'Other financial liabilities' *	-	(242.03)
	6,178.07	8,747.60

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 41.

\* Current portion of secured term loan from banks is disclosed under note 20, 'Other financial liabilities'.

**17. Terms and repayment schedule of Borrowings**

Terms and conditions of outstanding secured term loan are as follows:

(Amount in Lakhs)

Particulars	Interest rate	Year of maturity	As at 31 March 2023	As at 31 March 2022
<b>Non-current borrowings</b>				
Business loan				
ICICI LAP A/c No. LBDEL00004899038	7.75% p.a.	2026	-	305.05
<b>Current borrowings</b>				
Business loan				
ICICI LAP A/c No. LBDEL00004899038	7.75% p.a.	2026	-	79.23
SBI COVID LOAN	7.40% p.a.	2022	-	24.06
PNB COVID LOAN	7.30% p.a.	2022	-	138.74

### Secured term loans from banks

- ICICI LAP A/c No. LBDEL00004899038: Vikas Ecotech Ltd. has taken Loan Against Immovable Commercial property from ICICI Bank during February 2019. Repayable in 91 EMI of Rs 8,67,358.00 each & Date of EMI is 05th of succeeding month. The Term loan was secured against Office No. 404, 405, 408, 409 & 410 in the Building known as "Express Zone", Western Express Highway, Malad (East) Mumbai, Maharashtra and the property is in the name of the Company. The current rate of interest is 7.75% p.a. The loan has been fully repaid in October 2022.
- Covid Loan of Rs. 200 lakhs has been sanctioned by SBI in the first quarter of FY 2020-21 in order to meet out contingencies arose due to epidemic ongoing covid crisis. The Term Loan was secured by way of hypothecation of stock, receivable, and advance to suppliers and other current assets on pari-passu basis with consortium members. The current rate of interest is 7.40% p.a. The loan shall be fully repaid in June 2022.
- Covid Loan of Rs. 582 lakhs has been sanctioned by PNB in the first quarter of FY 2020-21 in order to meet out contingencies arose due to epidemic ongoing covid crisis. The Term Loan was secured by way of hypothecation of stock, receivable, and advance to suppliers and other current assets on pari-passu basis with consortium members. The current rate of interest is 7.30% p.a. The loan shall be fully repaid in July 2022.

### Secured Fund Based (Cash Credit, PCFC etc.) & Non Fund Based limits from Banks

- The Company is availing working capital limits under consortium from Punjab National Bank, Bank of Baroda and State Bank of India with Punjab National Bank as lead banker in consortium and others banks are member.
- The Company is availing a cash credit (Hypothetical) limit of Rs. 4,000 Lacs from Punjab National Bank with a sub limit of PC / PCFC / FBP / FBD of Rs. 500 Lacs under the same Cash Credit limit against Hypothecation of stock, receivable, and advance to suppliers and other current assets on pari-passu basis with consortium members. No DP against stock and Book debts exceeding 180 days to be allowed. Margin @ 25% and the current rate of interest are 1year MCLR 7.25% + Spread 6.00% i.e. 13.25% p.a. Further, the Company was also availing LC / DA / DP basis non Fund Based Limit of Rs. 2,250 Lacs (which includes both side inter change ability LC to CC for Rs.1,000 Lacs) for procurement of Raw Material and spares. There are Cash Margins @ 15% in the shape of FDR(s) on LC limits.
- Earlier, The Company was also availing Cash Credit limit of Rs. 995 Lacs from Bank of Baroda as on 31.03.2022, later on in current FY 22-23, limits has been reduced to Rs. 730 lacs. The limit is secured by way of hypothecation of stock, receivables & other current assets on pari-passu basis with consortium members. No DP against stock and Book debts exceeding 180 days to be allowed. Margin @ 25% and the current rate of interest are BRLLR 6.75% + Strategic Premium 0.25% + Spread 6.00% i.e. 13.00% p.a.
- The Company is also availing Cash Credit limit of Rs.1,350 Lacs from State Bank of India with a sub limit of PC / PCFC / FBP / FBD of Rs. 500 Lacs under the same Cash Credit limit. The limit is secured by way of hypothecation of stock, receivables & other current assets on pari-passu basis with consortium members. No DP against stock and Book debts exceeding 180 days to be allowed. Margin @ 25% and the current rate of interest are EBLR 9.15% + Spread 4.75% i.e. 13.90% p.a. Further the Company was availing Non Fund Based LC (Import /Inland /DP/ DA/ BG, Buyers Credit) limits of Rs. 400 lacs for procurement of raw material and spares. There are Cash Margins @ 15% in the shape of FDR'(s) on LC limits.

### Further, the Fund Based & Non Fund Based limits from Banks are secured by Mortgage of following Collateral Assets:

- Industrial property at G-30 RIICO Industrial Area, Vigyan Nagar, Shahjahanpur Dist. Alwar, Rajasthan.
- Property situated at Khasra no. 710/201 in Village Rithala, Delhi owned by Mr. Vivek Garg.
- A-28 Khasra No.12/10 and 13/6 Village Kamrudin Nagar Nangloi owned by Ms. Seema Garg and Ms. Usha Garg.
- 770, Khasra No.142/770, situated at Village Khanjawala, New Delhi owned by Ms. Usha Garg
- Industrial property at G-24-29 RIICO Industrial Area, Vigyan Nagar, Shahjahanpur Dist. Alwar Rajasthan, owned by Company.
- Industrial Property No. - F-7 & 8, Vigyan Nagar RIICO Indl. Area, Shahjahanpur, Tehsil Neemrana Distt. Alwar, Rajasthan.

### Further, the Fund Based & Non Fund Based limits are guaranteed by personal guarantee of the following persons:

- Mr. Nand Kishore Garg
- Mr. Vikas Garg
- Mr. Vivek Garg
- Mrs. Usha Garg
- Mrs. Seema Garg
- Mrs. Namita Garg

## 18. Provisions

### a) Long-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity	23.40	24.14
	<b>23.40</b>	<b>24.14</b>

### b) Short-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity	0.56	0.63
	<b>0.56</b>	<b>0.63</b>

**c) Other financial liabilities-Non Current**

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit received		43.21
	-	<b>43.21</b>

**19. Trade payables**

(Amount in Lakhs)

Particulars		Outstanding for following periods from due date of payment as at 31st March 2023				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	301.15	-	-	-	301.15
(ii)	Others	2,270.48	39.82	87.83	3.40	2,401.53
(iii)	Disputed dues-MSME	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-
<b>Total</b>		<b>2,571.63</b>	<b>39.82</b>	<b>87.83</b>	<b>3.40</b>	<b>2,702.67</b>

The Company exposure to liquidity risk related to the above financial liabilities is disclosed in Note 41.

Trade Payables are subject to confirmation / reconciliation, consequential adjustment if any.

(Amount in Lakhs)

Particulars		Outstanding for following periods from due date of payment as at 31st March 2022				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	597.96	-	-	-	597.96
(ii)	Others	806.61	104.96	12.14	11.07	934.78
(iii)	Disputed dues-MSME	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-
<b>Total</b>		<b>1,404.57</b>	<b>104.96</b>	<b>12.14</b>	<b>11.07</b>	<b>1,532.74</b>

**20. Other financial liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of non-current borrowings	-	242.03
Unclaimed dividend	9.96	12.61
Other advances received	95.20	5.00
Statutory dues payable	262.40	663.93
Security Deposit-Current	43.21	-
Amount refundable to customer against cancelled purchase orders	713.27	-
Share Application Money Refundable for failed cases	0.17	-
Accrued expenses	82.65	66.05
	<b>1,206.86</b>	<b>989.62</b>

**21. Other liabilities, current**

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers*	353.81	30.51
	<b>353.81</b>	<b>30.51</b>

\*Advance from customers are subject to confirmation / reconciliation, consequential adjustment if any.

**22. Revenue from operations**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from operations</b>		
Sale of products	39,353.91	22,897.49
Other operating revenues	912.99	2,144.91
	<b>40,266.89</b>	<b>25,042.40</b>

**23. Other income**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign exchange fluctuation gain	-	(16.87)
Interest income	26.55	59.67
Rebates and discounts received	-	46.90
Profit/loss on sale of fixed assets	17.99	1.35
Long / Short Term Capital Gain & Loss	-	1.33

Other Receipts	180.79	(11.58)
Rental income	92.47	92.50
	<b>317.80</b>	<b>173.31</b>

**24. Cost of material consumed\***

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening inventory of raw material, work in progress and finished goods	8,164.36	10,055.64
Add: Purchases (including direct expenses and overheads)	9,234.40	8,093.97
Less: Closing inventory of raw material, work in progress and finished goods	(3,503.96)	(8,164.36)
	<b>13,894.80</b>	<b>9,985.25</b>

**Details of inventory**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Closing Inventory*</b>		
Inventory of raw material, work in progress and finished goods	3,503.96	8,164.36

**25. Purchase of traded goods\***

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of traded goods (including direct expenses and overheads)	22,482.17	11,691.80
	<b>22,482.17</b>	<b>11,691.80</b>

**26. Change in inventory\***

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing stock of traded goods and real estate inventory	34.48	52.52
Opening stock of traded goods and real estate inventory	52.52	104.87
<b>(Increase)/ Decrease in Inventory (traded goods and real estate inventory)</b>	<b>18.05</b>	<b>52.34</b>

(Valued and certified by the Company's Management, Independent Cost Accountant and Relied upon by Auditors)

The Company is in the business of High End additives and rubber-plastic compounds and accordingly deals in numerous items such as Tin Alloy / Ingots, 2EthylhexylThioglycolate, Tinmate, Hydrogen Peroxide, PVC Resin, Styrene Butadiene Copolymer, Styrene Butadiene Styrene, Methyl Chloride (Gas) etc. Further, the company is also in trading of TMT Bars, Steel, HR Coils, CR Coils, ERW pipes & Coal. Keeping in view the nature of industry and vast number of items, it is not practical for the Company to give item wise break up of different type of products.

**27. Employee benefit expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	210.33	206.37
Contribution to provident and other funds	9.33	8.51
Staff welfare expenses	35.10	19.22
	<b>254.76</b>	<b>234.09</b>

\*Salaries, wages and bonus' includes gratuity and other post-employment benefits. Refer note 33 for details.

**28. Depreciation expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation & Impairment on tangible assets	396.19	360.34
	<b>396.19</b>	<b>360.34</b>

**29. Finance costs**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest expenses</b>		
- On borrowings	938.12	1,799.61
- On others	4.52	2.76
Other financing charges	121.46	106.24
	<b>1,064.11</b>	<b>1,908.61</b>

**30. Other expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Freight outward	272.34	121.31
Legal and professional	186.65	182.80
Directors' sitting fees	2.00	0.60
Travelling and conveyance	63.84	13.96
Profit/loss on sale of fixed assets	-	-
Donation	2.03	20.31
Corporate social responsibility expenditure	-	-
Insurance	29.92	48.69
Electricity Expenses	5.85	7.46
Loading and unloading expenses	11.00	6.83
Security Charges	19.56	21.16
Advertisement and promotion	35.34	4.16
Repairs and maintenance		
Plant and machinery	42.81	82.00
Buildings	19.00	12.87
Others	12.00	2.57
Printing and stationery	10.15	6.46
Postage and courier	6.51	2.30
Communication costs	5.87	19.98
Rent	27.92	21.86
Foreign exchange fluctuation gain	10.47	-
Provision for Impairment of Assets	0.35	-
Rates and taxes	3.96	161.72
Vehicle Running Expenses	4.62	3.78
IPO/Corporate Action Charges	-	21.81
Research & Development	3.20	
Rebates and discounts given	585.56	
Miscellaneous expenses	64.70	11.18
	<b>1,425.65</b>	<b>773.81</b>

**Payments to Statutory auditors**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory Audit fees	12.50	10.00
Taxation and Other matters – fees	0.22	1.16
	<b>12.72</b>	<b>11.16</b>

**31. Exceptional items**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Insurance Claim Received (Building, P & M)	-	-
Insurance Claim Received (Inventory)	-	-
	<b>-</b>	<b>-</b>

**32. Earnings per share**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Nominal value per share	1.00	1.00
Profit attributable to equity shareholders for computing Basic and Diluted EPS (A)	956.87	150.25
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	9461.31	9393.37
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	<b>9,461.31</b>	<b>9287.05</b>
<b>Basic earnings per share (A/B)</b>	<b>0.10</b>	<b>0.02</b>
<b>Diluted earnings per share (A/C)</b>	<b>0.10</b>	<b>0.02</b>

**33. Employee benefits**
**(All amounts in lakhs, except share data or if otherwise stated)**

The Company has recognised the following amounts in the statement of profit and loss:

**Defined contribution plan**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Employer's contribution to provident fund	6.90	5.78
	<b>6.90</b>	<b>5.78</b>

**Defined benefit plan**

The Company operates a defined benefit gratuity plan, wherein every employee, who has rendered at least five years of continuous service, is entitled to the gratuity benefit equivalent to 15 days of total basic salary last drawn for each completed year of service, in terms of Payments of Gratuity Act, 1972. The Company has taken Group Gratuity Scheme for the employees from the LIC of India. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each reporting period, as required under Ind-AS 19 – Employee Benefits.

**a) Reconciliation of present value of defined benefit obligation:**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Present value of benefit obligation at beginning of year	24.77	30.17
Current services cost	2.95	3.47
Interest cost	1.81	2.05
Benefits paid	-	(0.22)
Re-measurements of Actuarial (gain)/ loss arising from		
- Change in demographic assumptions		-
- Change in financial assumptions	(0.44)	(5.62)
- Experience variance (i.e. Actual experience vs. assumptions)	(5.12)	(5.08)
<b>Present value of benefit obligation at end of year</b>	<b>23.97</b>	<b>24.77</b>

**b) Reconciliation of present value of plan assets:**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Fair value of plan assets at beginning of year	5.94	5.56
Investment income	0.43	0.38
Return on plan assets, excluding amount recognised in net interest expense		
<b>Fair value of plan assets at end of year</b>	<b>6.37</b>	<b>5.94</b>

**c) Expense recognised in the statement of profit and loss**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Service cost	2.95	3.47
Interest cost	1.37	1.67
	<b>4.32</b>	<b>5.14</b>

**d) Amount recognised in other comprehensive income:**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Actuarial (gain)/ losses		
Changes in demographic assumptions		-
Changes in financial assumptions	(0.44)	(5.62)
Experience variance (i.e. actuarial experience vs. assumptions)	(5.12)	(5.08)
Return on plan assets, excluding amount recognised in net interest expense		
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(5.56)</b>	<b>(10.70)</b>

**e) Assumptions used to determine the benefit obligation are as follows:**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Discount rate	7.45%	7.30%
Expected rate of increase in compensation levels	5.00%	5.00%
Retirement age	60 years	60 years
Withdrawal rates:		
Upto 30 years	3.00%	3.00%

31 – 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality Rate (% of Indian Assured Live Maturity2006-08)

Assumptions regarding future mortality rate are based on published statistics and mortality tables.

**f) Maturity profile of defined benefit obligation**

Expected cash flows over the next (valued on undiscounted basis)	Amount	Amount
	31-Mar-23	31-Mar-22
1 year	0.56	0.63
2 to 5 years	2.64	2.70
6 to 10 years	49.55	4.95
More than 10 years	60.14	67.38

**g) Sensitivity analysis**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	31-Mar-22		31-Mar-21	
	Decrease	Increase	Decrease	Increase
Discount rate (1% movement)	27.11	21.28	28.33	21.77
Salary growth rate (1% movement)	21.20	27.16	21.69	28.37
Attrition Rate (- / + 50% of attrition rates)	23.53	24.36	24.24	25.25
Mortality Rate (- / + 10% of mortality rates)	23.94	23.99	24.74	24.80

The sensitivity analyses are based on change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

**34. Operating lease**

The Company has taken various premises on operating leases. The underlying agreements are executed for a period generally ranging from one year to three years except long term leases, renewable at the option of the Company and the lessor. There are no restrictions imposed by such leases and there are no sub leases. The rent charged and minimum rental payments to be made in the future in respect of these operating leases are as under:

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Lease rental charged to the Statement of profit and loss	27.92	21.86
<b>Obligation on non-cancellable lease*</b>		
Within one year	14.60	25.76
Later than one year but not later than three years	29.20	51.53
	<b>43.80</b>	<b>77.29</b>

\* Obligation related to operational lease of Rajasthan guest house has not been considered due to short term nature.

**35. Contingencies**

**a) Guarantees**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Bank guarantees issued by banks on behalf of the Company*	111.29	86.72
Duty against advance license	88.54	88.54
	<b>199.83</b>	<b>175.26</b>

\* Above Figures are stated without considering margin money given by the company, for margin money details please refer Note no. 12

**b) Claims not acknowledged as debts**

With respect to income tax matters, there are no disputed matters pending before any appellate authorities. However, there are certain routine assessments/rectifications matters related to credit mismatch, rectifications of mistakes apprapent from records etc., which are pending for disposal with jurisdictional Assessing officers as on date, for which company has already made adequate representations.

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. 99,61,516 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. 41,15,664 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).

The Directorate of Enforcement, Delhi Zonal Office, New Delhi has issued a provisional attachment order ("Order") bearing number 04/2020 and file number ECIR/10/DZ-1/2017/16962 under Section 5(1) of the Prevention of Money Laundering Act, 2002 ("PMLA") against our Company and its Promoter/ Director Mr. Vikas Garg and other third parties. Through the said attachment, our bank account UCO Bank at Parliament Street, New Delhi Branch maintained with has been attached for an amount of Rs. 7,15,533/-.

An enquiry from the DGGI was initiated in April'2022 pertaining to verification of certain suppliers, wherein Vikas Ecotech Limited submitted a deposit of Rs. 3.00 crore with the authorities, which is considered as recoverable, if and when the sanctity of the said supplier is verified and the enquiry is concluded favourably. As on balance sheet date the matter is under adjudication. The Income Tax Department has filed an appeal against the Order of Honorable ITAT Delhi with respect to total addition of Rs 339 Lakhs pertains to A.Y 2012-13. Such case is pending before the Honorable Delhi High Court. The total Demand of Income Tax Involves the matter of law whether the compensation received against the compulsory acquisition will be treated as agriculture Income or profit from business as sale of real estate division of the company. The said amount is being reported as contingent liability which is totally based on the outcome of final order of the Honorable Delhi High Court.

### 36. Capital commitment

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)*	30.37	30.37

\* The Company has intended to purchase the property for Rs. 18,25,01,400 at New Rohtak Road, New Delhi. The Company has made the payment of Rs. 17,94,64,646/- for the same till 31 March 2022, which is shown as per Note No. 8 under "other non-current assets" in the Balance Sheet. Balance payment will be done in due course at the time of possession and after successful completion of registration and other legal formalities.

In pursuance of its planning to enter into Green-Enviro-friendly Infrastructure Development Projects, the company has entered into collobolartion agreement with real estate companies and induced funds of Rs. 5500 Lakhs on account of its part contribution. Remaining contribution shall be decided and shall be done at appropriate stages in the project development as required time to time. The said funds contribution has been shown as Investments in Note-6A in the Balance Sheet.

### 37. Fair value measurement and financial instruments

#### Financial instruments – by category and fair value hierarchy

The following table shows the carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Financial assets	Carrying Amount	
	31-Mar-23	31-Mar-22
<b>- At amortised cost</b>		
Non-current other Financial Assets	406.19	123.05
Investments in Shares	5,500.00	0.00
Trade receivables	14,636.63	13,487.70
Cash and cash equivalents	20.76	279.77
Other bank balances	379.75	856.12
Other financial assets	153.74	260.20
	<b>21,097.06</b>	<b>15,006.84</b>
<b>Financial liabilities</b>		
<b>- At amortised cost</b>		
Borrowings (non-current)	0.00	305.05
Borrowings (current)	6,178.07	8,747.60
Trade payables	2,702.67	1,532.74
Other financial liabilities	1,206.86	1,032.82
	<b>10,087.60</b>	<b>11,618.21</b>

The following methods / assumptions were used to estimate the fair values:

- The carrying value of cash and cash equivalents, trade receivables and trade payables and liabilities approximate their fair values mainly due to short-term maturities of these instruments.
- The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The Company's borrowings have been contracted at floating rate of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due)

There are no significant unobservable inputs used in the fair value measurement.

#### Fair value hierarchy

All financial instrument for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

Financial assets	Level	As at 31-Mar-23	As at 31-Mar-22
<b>Financial assets</b>			
<b>- At amortised cost</b>			
Non-current other Financial Assets	Level 3	406.19	123.05
Investments	Level 3	5,500.00	0.00
Trade receivables	Level 3	14,636.63	13,487.70
Cash and cash equivalents	Level 3	20.76	279.77
Other bank balances	Level 3	379.75	856.12
Other financial assets	Level 3	153.74	260.20
		<b>21,097.06</b>	<b>15,006.84</b>
<b>Financial liabilities</b>			
<b>- At amortised cost</b>			
Borrowings (non-current)	Level 3	0.00	305.05
Borrowings (current)	Level 3	6,178.07	8,747.60
Trade payables	Level 3	2,702.67	1,532.74
Other financial liabilities	Level 3	1,206.86	1,032.82
		<b>10,087.60</b>	<b>11,618.21</b>

During the year ended 31 March 2023, there were no transfers between Level 1, Level 2 or Level 3 fair value measurements.

#### 38. Related party disclosures

In accordance with the requirements of Ind-AS - 24 "Related Party Disclosures", the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

**Related Parties with whom transactions have taken place during the year :**

##### (i) Key management personnel (KMP)

Mr.Vikas Garg	Managing Director
Mr.Vivek Garg	Whole time Director
Mr.Dinesh Bhardwaj*	Chief Executive Officer
Mr.Amit Dhuria	Chief Financial Officer
Mr.Prashant Sajwani	Company Secretary

\* Suresh Kumar Dhingra has been resigned on 25.04.2022.

(ii) **Relative of Key management personnel (KMP)**

Ms.Seema Garg

(iii) **Company having a common Director**

M/s. Advik capital Limited.

\* Mr. Vikas Garg is appointed as a director in M/s. Advik capital Limited w.e.f. 22.02.2023 where M/s. Optoelectronics Limited is a subsidiary of M/s. Advik capital Limited.

M/s Vikas Lifecare Ltd\*\*(Applicable For FY 2021-22 Only)

\*\*Mr. Vikas Garg & Mr. Vivek Garg are ceased to be director in M/s Vikas Lifecare Ltd. w.e.f. 15.02.2022, so related party transactions with Vikas Lifecare Ltd. has been considered upto 15.02.2022.

Related party transactions represent transactions entered into by the Company with directors, key management personnel and relatives of key management personnel. The transactions with these related parties for the year ended 31 March 2022 and balances as at 31 March 2023 are described below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Unsecured Loan : Vikas Garg</b>		
<b>Opening Balance</b>	<b>1,349.37</b>	<b>2,016.24</b>
Unsecured Loan Taken during the year	923.20	1,837.26
Notional Interest on Loan : Vikas Garg	-	145.87
Unsecured Loan repaid during the year	2,163.41	2,650.00
<b>Closing Balance</b>	<b>109.15</b>	<b>1,349.37</b>
<b>Remnuration</b>		
Mr.Vikas Garg		
Mr.Dinesh Bhardwaj	12.00	12.00
Mr.Amit Dhuria	8.20	7.05
Mr.Prashant Sajwani	20.95	18.35
Mr. Suresh Kumar Dhingra	8.10	6.38
		5.55
<b>Purchase &amp; Sale Transaction with company having common Director and relative of director</b>		
<b>M/s. Advik optoelectronics Limited</b>		
Sale (Including Tax)	467.87	
Repair and Maintenance ( (Including Tax)	3.25	
Amount Receivable as on 31.03.2023	262.32	
<b>M/s. Vikas Multicorp Limited</b>		
Sale (Including Tax)		1,356.15
Purchase ( (Including Tax)		903.44
Amount Receivable as on 31.03.2023		2,540.27
<b>Rent Paid (Seema Garg)</b>	<b>5.04</b>	<b>5.01</b>
<b>Remnuration Payable as on 31.03.2023</b>		
Mr.Vikas Garg	0.90	0.90
Mr.Dinesh Bhardwaj	0.49	0.60
Mr.Amit Dhuria	1.40	1.25
Mr.Prashant Sajwani	0.70	0.55
Mr. Suresh Kumar Dhingra		0.45

\* Segregation of post-employment benefit plans of gratuity for individuals cannot be ascertained.

**Terms and conditions of transactions with related parties:**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**39. Status of Insurance Claim**

The company has reported exceptional item on account of fire loss of Unit-II of RIICO Industrial Area, Shahjahanpur, Alwar, Rajasthan, in the financial statement for the year ended 31.03.2017. In the FY 2019-20, the Company has already received insurance claim of Rs. 837.30 lakhs and in accordance with the accounting policies, the Company had accounted the proceeds from insurance claim in the Financial year 2019-20. The Company has already filled objection with respect to short amount of insurance claim received from OIC & matter is still under adjudication with National Consumer Forum, Delhi.

**40. a). Ratios**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	As at 31-Mar-23	As at 31-Mar-22	% Change	Variance Reasons
a) Current Ratio (no. of times)	Total Current Assets	Total Current Liabilities	2.19	2.45	-10.46%	NA
b) Debt-Equity Ratio	Total Debts (Long term borrowing + Short term borrowings (including Current maturities of long term borrowings)	Equity	0.26	0.40	-34.71%	The company repaid its debts during the current financial year as a result debt equity ratio of the company decreases.
c) Debt Service Coverage Ratio (no. of times)	EBITDA	(Finance costs + Short term borrowings (including Current maturities of long term borrowings)	2.36	1.15	104.62%	The company's trading business has substantially increased during the year resulting in improvement of ratio.
d) Return on Equity (ROE) (%)	Net profit after taxes	Average Shareholder's Equity	4.00%	0.66%	506.62%	The company's trading business has substantially increased during the year resulting in improvement of ratio.
e) Inventory turnover ratio	Cost of goods sold	Average Inventory	6.19	2.36	161.84%	The company's trading business has substantially increased during the year while inventory is maintained at lower level resulting in improvement of ratio.

f)	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	0.716	2.26	-68.38%	The company's trading business has substantially increased during the year along with improvement in receivable collection resulting in improvement of ratio.
g)	Trade payables turnover ratio	Total Purchases	Average Trade Payables	14.98	7.60	97.16%	The company's trading business has substantially increased during the year while trade payable maintained at lower level resulting in improvement of ratio.
h)	Net Capital turnover ratio	Revenue from operations	Working capital	3.23	1.53	111.38%	The company has increased its turnover to Rs. 40,266.89 from its earlier year Rs.25,042.40 resulting in improvement in ratio.
i)	Net profit ratio (%)	Net Profit	Revenue from operations	2.38%	0.60%	296.07%	The company's trading business has substantially increased during the year resulting in improvement of ratio.
j)	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed (Tangible net worth + Long term borrowings)	8.88%	9.18%	-3.28%	NA
k)	Return on investment (ROI) (%)	Income generated from investments	Average value of investments	NA	40.22%		The company does not have any income from investments.

#### 40 b). Information on Segment Reporting pursuant to Ind AS 108 - Operating Segments

##### Operating segments:

Infra & Energy

Chemical, Polymers & Special Additives

Real Estate

##### Identification of segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in these financial statements. Operating segments have been identified on the basis of the nature of products & services.

**Segment revenue and results**

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

**Segment assets and liabilities:**

Assets used by the operating segments mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

The measurement principles of segments are consistent with those used in preparation of these financial statements. There are no inter-segment transfers

**1. Revenue by nature of products/services**
**(Amount in Lakhs)**

Particulars		Year Ended	Year Ended
		31.03.2023	31.03.2022
(a)	Infra & Energy	25,491.97	11,033.42
(b)	Chemical, Polymers & Special Additives	14,774.92	13,928.60
(c)	Real Estate	-	80.38
	<b>Total</b>	<b>40,266.89</b>	<b>25,042.40</b>

**2. Segment Results before tax and interest**

Particulars			
(a)	Infra & Energy	3,450.90	95.80
(b)	Chemical, Polymers & Special Additives	439.03	3,189.17
(c)	Real Estate	(18.04)	28.04
	<b>Sub Total</b>	<b>3,871.89</b>	<b>3,313.01</b>
Less: Finance Cost		1,064.11	1,908.61
Add: Other Income		317.80	173.31
Less: Expenses		2,076.61	1,368.24
<b>Profit before tax</b>		<b>1,048.96</b>	<b>209.46</b>
Less: Tax expenses		96.25	70.22
Net profit for the year		<b>952.72</b>	<b>139.24</b>

**3. Segment Capital employed**

The assets and liabilities of the Company are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence, assets and liabilities have not been identified to any of the reportable segments.

**4. Major Customers**

For the year ending 31st March 2022, Revenue from One Customer of the Infra Segment represented approximately Rs. 10,453.94 Lakhs of the total revenue.

For the year ending 31st March 2023, Revenue from Two Customers of the Infra & Energy Segment represented approximately Rs. 10661.19 Lakhs and Rs. 12906.86 Lakhs of the total revenue.

Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**41. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade payables etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Company is exposed to market risk (interest rate risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

### Market Risk – Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's borrowings with floating interest rates.

#### Exposure to interest rate risks

The Company's interest rate risk arises majorly from the borrowings carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable rate instruments	As at 31 March 2023	As at 31 March 2022
Secured loan from banks (including current maturities)	6,178.07	9,294.68

#### Interest rate sensitivity analysis

A reasonably possible change of 0.5% in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

Particulars	Statement of Profit and Loss 31.03.2023		Statement of Profit and Loss 31.03.2022	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Interest on loan				
For the year ended 31 March 2023	38.68	(38.68)	56.02	(56.02)

### Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Trade receivables	10	14,636.63	455.50
Cash and cash equivalents	11	20.76	279.77
Other bank balances	12	379.75	856.12
Other financial assets (including investments)	6, 6A, 13	6,059.92	383.25

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is generally limited as the Company transacts with Banks having a high credit ratings assigned by domestic credit rating agencies.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment gain or loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience of customers. Based on the business environment in which the Company operates, management considers that the trade receivables are not in default (credit impaired) as there is very good track record against sales realisations and further there is Zero bad debts in past, hence the Company based upon past trends determined that an impairment allowance for loss on trade receivables is not required.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables as at 31 March 2023	13,823.72	227.64	50.88	138.45	395.94	14,636.63
Trade receivables as at 31 March 2022	12,844.49	36.41	151.30	231.90	223.61	13,487.70

### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the company is Indian Rupee.

The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar & Euro. The Company manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2023, 31 March 2022 are as below:

Particulars	Currency	31-Mar-23	31-Mar-21
Trade receivables	INR	-	-
Trade Payables	INR	733.51	247.41
Advance to Suppliers	INR	18.98	-
Borrowings	INR	-	-
Net Foreign Currency Exposure	INR	714.53	247.41

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar & Euro at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of INR	Year ended 31 March 2023		Year ended 31 March 2022	
1% movement	Strengthening	Weakening	Strengthening	Weakening
INR for Foreign Currency Exposure	7.15	(7.15)	2.47	(2.47)

**Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

Particulars	As at 31 March 2023					
	Carrying amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Borrowings	6,178.07		6,178.07			6,178.07
Trade payables	2,702.67	2,571.63	-	39.82	91.22	2,702.67
Other financial liabilities	1,206.86		1,206.86			1,206.86

Particulars	As at 31 March 2022					
	Carrying amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Borrowings	9,052.65		8,747.60	305.05		9,052.65
Trade payables	1,532.74	1229.66	174.91	104.96	23.21	1,532.74
Other financial liabilities	1,032.82	1,032.82		-	-	1,032.82

**Capital management**

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

The Company's capital consists of equity attributable to equity holders that includes equity share capital, retained earnings and long term borrowings.

Particulars	As at 31-Mar-23	As at 31-Mar-22
Total liabilities	6,178.07	9,294.68
Less: Cash and cash equivalent	20.76	279.77
<b>Adjusted net debt (a)</b>	<b>6,157.31</b>	<b>9,014.91</b>
Total equity (b)	23,794.19	22,763.43
Total equity and net debt (a+b) = c	29,951.49	31,778.34
<b>Capital gearing ratio (a/c)</b>	<b>20.56%</b>	<b>28.37%</b>

#### 42. Re- Grouping

Certain reclassification have been to the comparative period Financial statements to enhance comparability with the current financial year financial statements & enhance compliance with guidance note on the Division-II- Ind AS Schedule III to the companies Act.

As a result, certain line items have been reclassified in the Balance sheet as at 31st March, 2023 the details of which are as under.

Non Current	Before Reclassification	Reclassification	After Reclassification	Remarks
Trade receivables	0	455.50	455.50	Reclassification of trade receivables
Other financial assets	1977.73	-1,854.68	123.05	Reclassification of trade receivables, advance to supplier, other advances and recoverable from statutory authorities
Other non-current assets	1850.29	1,454.70	3,304.99	Reclassification of advance to supplier, MEIS License and other non current asset
<b>Current assets</b>		-		
Other bank balances	823.94	32.18	856.12	Reclassification of Interest accrued on FDR
Other financial assets	32.73	227.47	260.20	Reclassification of Interest accrued on FDR, other taxes recoverable and security deposits refundable
Assets Held for Sale		-	-	
Other current assets	5354.42	-315.16	5,039.26	Reclassification of security deposits refundable, MEIS License and other taxes recoverable
<b>Current liabilities</b>		-		
Other financial liabilities	254.64	734.98	989.62	Reclassification of statutory dues, other advances received and accrued expenses
Other current liabilities	765.48	-734.97	30.51	Reclassification of statutory dues, other advances received and accrued expenses

#### 43 Other Statutory Informations

- a) All the immoveable properties held by the company are in the name of the company (where the company is the lessee and the lease arrangements are duly executed in favour of lessee) as on the balance sheet date except the following :

There is one property of the company located in Jammu state, which is held in the state of Sigma Plastic Industries. The Said Firm was taken over by the company in the earlier years. The title of the said property could not be transferred in company's name due to some pending procedural conditions and formalities.

- b) The Company does not have any "Benami Property", where any proceeding has been initiated pending against the Company for holding any "Benami Property".
- c) The Company has not advanced any loan or advances in the nature of loan to specified persons viz. Promoters, Directors, KMP, and Related Parties which are repayable on demand or where the agreement document does not specify any terms or period of repayment.
- d) The Company has not been declared as a wilful defaulter by any lender who has the power to declare a Company as a wilful defaulter at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved.
- e) The Company has utilized funds raised from the issue of securities or borrowings from banks & financial institutions for the specific purposes, for which they were issued/taken.
- f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that the intermediary shall: -
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

**ii. Provide any guarantees, securities or the like or on behalf of the ultimate beneficiaries**

- g) The Company has not received any funds from any person(s) or entity(ies), including foreign entity(ies) (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - Provide any guarantees, securities or the like or on behalf of the ultimate beneficiaries.
- h) There are no transactions and/or balances outstanding with companies struck off under section 248 of the Companies Act'2013.
- i) The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act'1961.
- j) The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.
- k) The Company does not have any charges or satisfaction of charges which is yet to be registered with the registrar of companies (ROC) beyond the satisfactory period.
- l) The company has borrowings from Banks and accordingly company has submitted monthly stock statements with respective Financial Institutions. Details of security of current assets filed by the Company with banks & their difference is as per table annexed below:-

Month	Name of the Bank	Particulars of Security Provided	Value as per Book	Value as per Bank DP	Difference	Remarks
April'22						2 Creditors pertains to Trading Division of Rs. 137.80 Lakhs has been wrongly considered in Bank DP, after such adjustment, remaining difference is Rs. 10.64 Lakhs, which is immaterial considering volume & size of DP.
May'22	Punjab National Bank, State Bank of India & Bank of Baorda, under Consortium Finance. PNB is the lead bank and SBI & BOB are member banks in said Consortium	Inventories, Trade receivables upto 180 days, Advance to Suppliers upto 90 days, net of Trade payables and Advance from customers.	11,080.88	10,932.44	148.45	No material discrepancies, considering volume & size of DP
June'22			10,713.80	10,703.98	9.82	1 Creditor pertains to Trading Division of Rs. 129.42 Lakhs has been wrongly considered in Bank DP, after such adjustment, there is positive difference of Rs. 47.68 Lakhs, which is immaterial considering volume & size of DP.
July'22			10,060.26	10,142.01	-81.75	No material discrepancies, considering volume & size of DP
August'22			10,010.29	9,998.23	12.06	No material discrepancies, considering volume & size of DP
September'22			17,491.81	17,403.23	88.58	No material discrepancies, considering volume & size of DP
October'22			16,893.51	16,855.08	38.43	No material discrepancies, considering volume & size of DP
November'22			16,186.72	16,224.72	-38.00	No material discrepancies, considering volume & size of DP
December'22			15,836.44	15,817.35	19.09	No material discrepancies, considering volume & size of DP
January'23			13,944.18	13,918.25	25.93	No material discrepancies, considering volume & size of DP
February'23			12,208.97	12,211.09	-2.11	No material discrepancies, considering volume & size of DP
March'23			11,780.43	11,806.25	-25.81	
			10,317.93	10,317.93	-	

In FY 22-23, Company has Surplus DP of Rs. 6-7 crs. Approx. in each & every month from Sanctioned & utilised limits from Banking Arrangement & thus in no case where company has availed excess DP due to above variances.

- m) The Fair Market value of Investment property is based on valuation by Registered valuer as defined under Rule 2 companies (Registered valuer and Valuation) Rule, 2017. The Fair market value is closely approximate to the cost value (net of accumulated depreciation) of investment property. Hence Investment property is shown in books at cost.

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**FOR KSMC AND ASSOCIATES**

**Chartered Accountants**

**(FRN: 003565N)**

**CA.SACHIN SINGHAL**

**Membership No.: 505732**

**UDIN:23505732BGUHSV8660**

**VIKAS GARG**

**(MANAGING DIRECTOR)**

**00255413**

**VIVEK GARG**

**(DIRECTOR)**

**00255443**

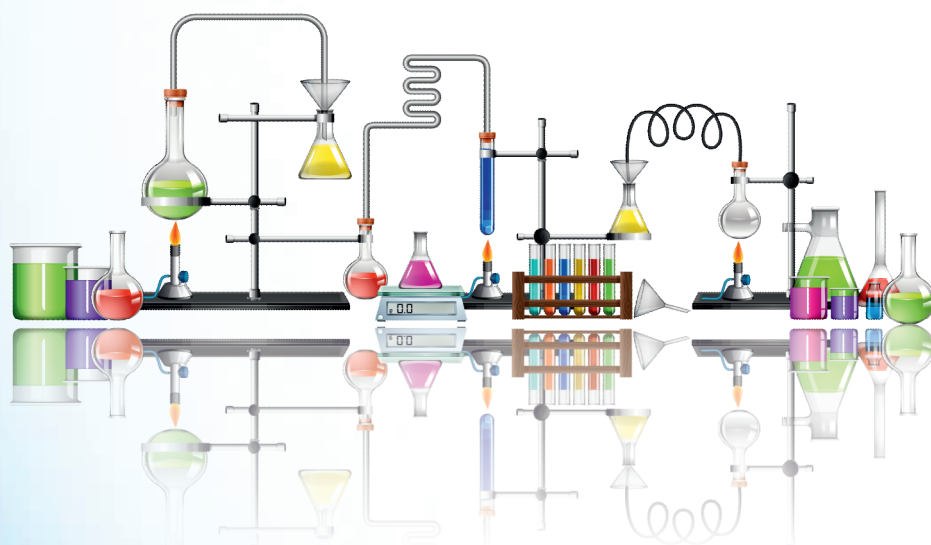
**PRASHANT SAJWANI**  
**(COMPANY SECRETARY)**

**CA AMIT DHURIA**  
**(CHIEF FINANCIAL OFFICER)**

**BALWANT KUMAR BHUSHAN**  
**(CHIEF EXECUTIVE OFFICER)**

**Place: NEW DELHI**

**Date: 13.05.2023**



**VIKAS ecOTECH LTD.**

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