

The

VIKAS ecOTECH LTD.

Annual Report 2016-2017

Catalysts

Vikas Journal of Specialty Chemicals

06

**Financial
Highlights**

12

**Managing
Director's
Address**

21

**Management
Discussion &
Analysis**

**Specialty
Chemicals**

Green Chemistry for a
Healthier Future.

Forward-looking statement

This Annual Report contains certain forward-looking statements with respect to the financial condition, results of operations and business of Vikas Ecotech Ltd. (VEL) and certain of the plans and objectives of VEL with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITDA and future developments in our business. Forward-looking statements can be identified generally as those containing words such as “anticipates”, “assumes”, “believes”, “estimates”, “expects”, “should”, “will”, “will likely result”, “forecast”, “outlook”, “projects”, “may” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include, but are not limited to, domestic & global economic and business conditions, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where VEL operates, industry consolidation and competition. As a result, VEL’s actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made and are based upon the knowledge of and information available to the Directors on the date of the 2017 Annual Report.

The information in this report does not constitute an offer to sell or an invitation to buy shares in the company or an invitation or inducement to engage in any other investment activities. Past performance cannot be relied upon as a guide to future performance.

Contents

04

Vikas Ecotech at a Glance

06

Financial Highlights

12

Managing Director's Address

21

Management Discussion & Analysis

43

Financial Reports & Statements

Preview

21

Management Discussion & Analysis

Global Trends in the Specialty Chemicals Industry

The global specialty chemicals market was valued at over USD 1.16 trillion in 2016. Experts forecast it to increase globally at a compounded annual growth rate (CAGR) of 4% by 2024.

30

Specialty Additives

Our Solutions Reinforce & Enhance Performance

Our specialty additives segment encompasses intensive research & development capabilities supported by world-class technology.

Vikas Ecotech at a glance

Our Footprint



20 countries

4 continents



Our Performance

Sales Growth at CAGR of
32% over last 3 years

EBIDTA Growth at CAGR of
83% over last 3 years

Our Strengths



Research &
Development

Customer-centric
Innovation

Technology
Leadership

Manufacturing
Excellence

As India's leading
high-end **specialty
chemicals** player



We focus on **eco-friendly chemicals, performance enhancing additives**, new age polymer compounds and import replacement products

Used in the manufacture of
high-performance, environment-friendly
and **high value** end-products.



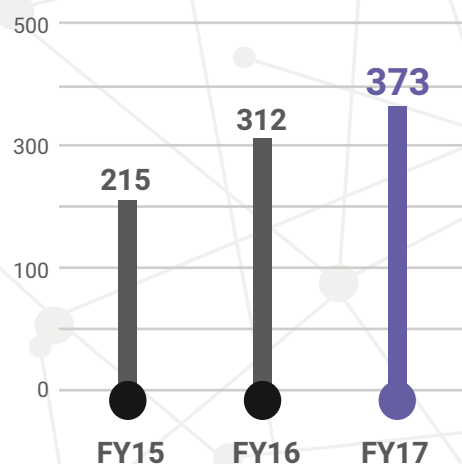
Our **technologically innovative** workforce creates value for our customers by offering products with the **right attributes** at the **right price** at the **right time**.

Financial performance

Revenues

INR ₹ 373 crore

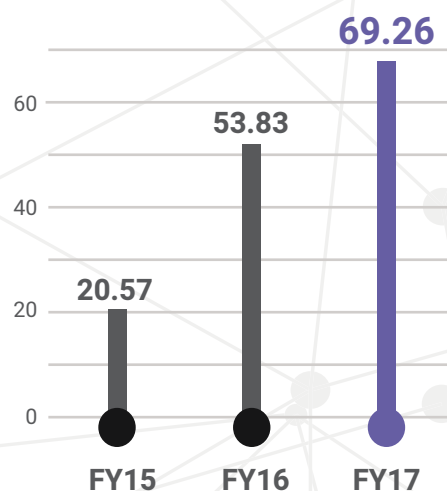
in ₹ crore



EBIDTA

INR ₹ 69.26 crore

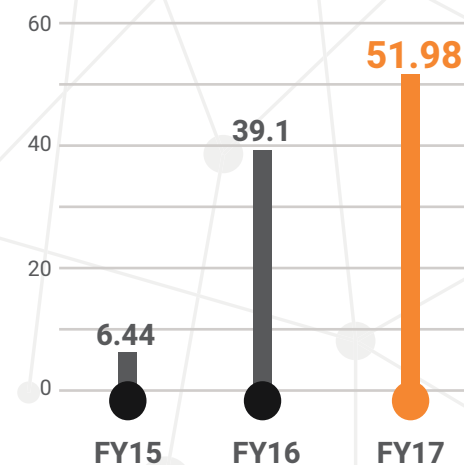
in ₹ crore



Profit Before Tax*

INR ₹ 51.98 crore

in ₹ crore

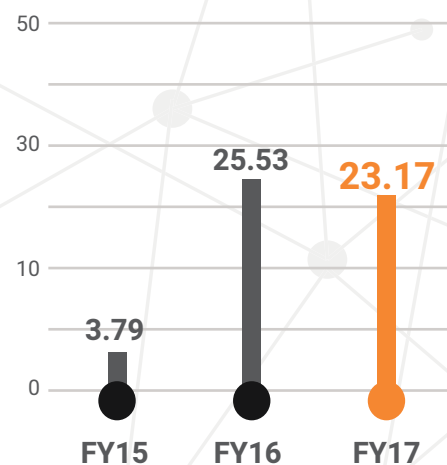


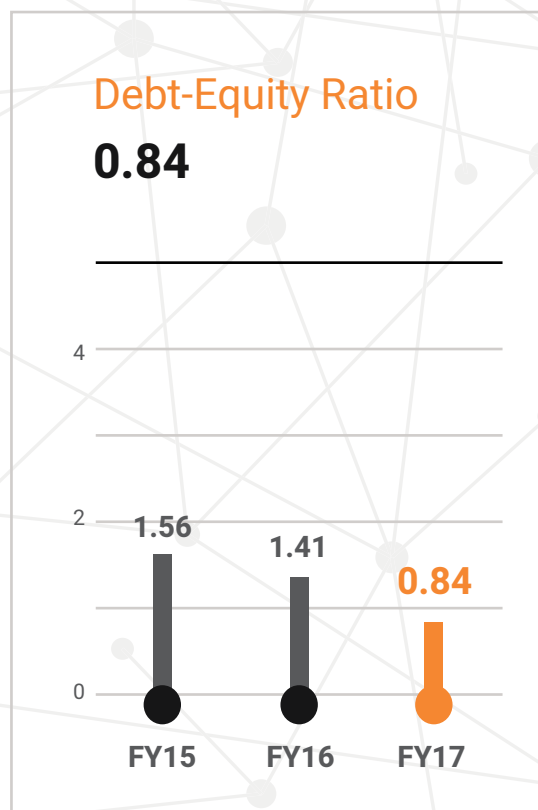
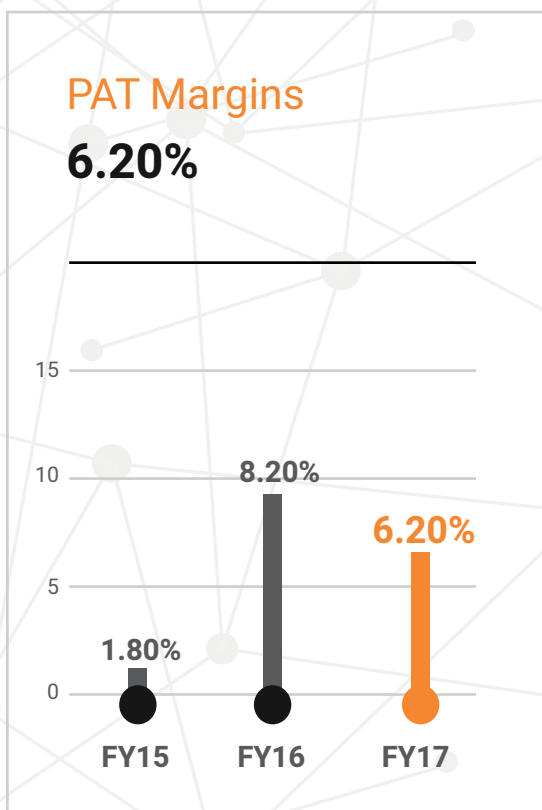
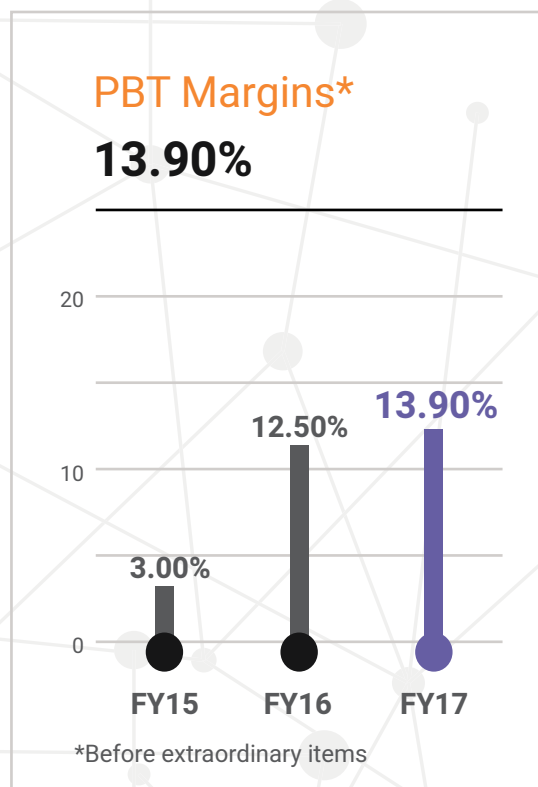
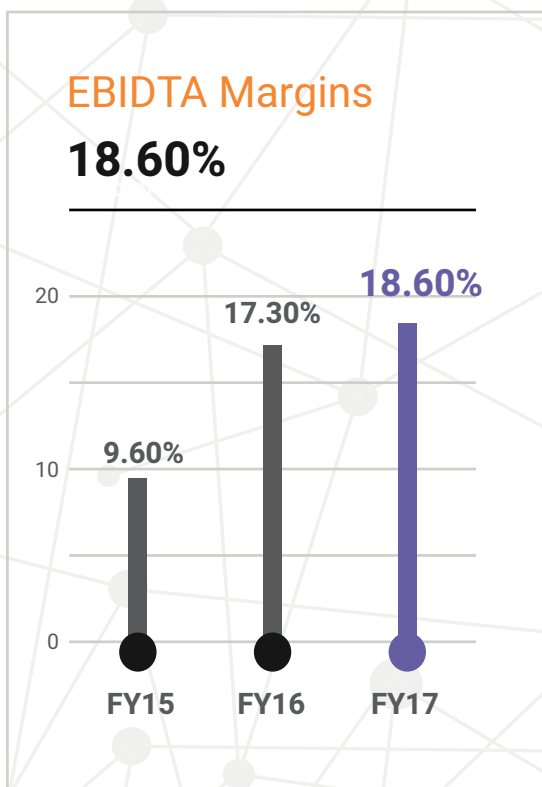
*Before extraordinary items

Profit After Tax

INR ₹ 23.17 crore

in ₹ crore





Company Information

KEY MANAGERIAL PERSONNEL

Mr. Vikas Garg | **Managing Director**

Mr. Vivek Garg | **Whole-time Director**

Mr. Ashutosh Kumar Verma | **CEO & Whole-time Director**

Mr. Devender Kumar Garg | **Whole-time Director (Finance)**

Mr. Sumit Garg | **Chief Financial Officer**

Mr. Siddharth Agrawal | **Company Secretary**

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Sumer Chand Tayal

Mr. Manoj Singhal

Mr. Kapil Gupta

Mrs. Vibha Mahajan

STATUTORY AUDITORS

M/s KSMC & Associates

G-5, Vikas Apartments, 34/1,

East Punjabi Bagh,

New Delhi - 110026.

REGISTERED OFFICE

Vikas Apartments, 34/1,

East Punjabi Bagh,

New Delhi - 110026.

Website: www.vikasecotech.com

COST AUDITORS

M/s JSN & Co.

E-47A, Qutub Vihar, Phase-1,

New Delhi - 110071.

INTERNAL AUDITORS

M/s. Grant Thornton India LLP,

21st Floor, DLF Square, Jacaranda

Marg,

DLF Phase II, Gurgaon - 122002.

SECRETARIAL AUDITORS

M/s AAA & Associates

105, C-2/4 Pragati Market,

Ashok Vihar Phase II,

New Delhi - 110052.

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited

4E/2, Alankit House,

Jhandewalan Extension, Delhi - 110055.

MANUFACTURING PLANTS JAMMU & KASHMIR

Industrial Growth Centre,

Phase-I, SIDCO Complex

Dist. Samba,

Jammu & Kashmir - 184121.

RAJASTHAN

G-24-30, and F-7 & F- 8, Vigyan Nagar,

RIICO Industrial Area, Shahjahanpur,

Dist., Alwar - 301706, Rajasthan.

NOIDA SEZ

SDF J-06, Noida Phase-II, Noida Specific

Economic Zone, SEZ, Noida,

Dist. Gautam Budh Nagar.

BOARD COMMITTEES & THEIR COMPOSITION

AUDIT COMMITTEE

Mr. Sumer Chand Tayal | **Chairman**

Mr. Manoj Singhal | **Member**

Mrs. Vibha Mahajan | **Member**

EXECUTIVE COMMITTEE

Mr. Vikas Garg | **Chairman**

Mr. Vivek Garg | **Member**

Mr. Ashutosh Kumar Verma | **Member**

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sumer Chand Tayal | **Chairman**

Mr. Vivek Garg | **Member**

Mr. Vikas Garg | **Member**

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sumer Chand Tayal | **Chairman**

Mrs. Vibha Mahajan | **Member**

Mr. Manoj Singhal | **Member**

EQUITY WARRANT COMMITTEE

Mr. Manoj Singhal | **Chairman**

Mr. Sumer Chand Tayal | **Member**

Mr. Kapil Gupta | **Member**

COMPENSATION COMMITTEE

Mr. Manoj Singhal | **Chairman**

Mr. Sumer Chand Tayal | **Member**

Mr. Vikas Garg | **Member**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Kapil Gupta | **Chairman**

Mr. Sumer Chand Tayal | **Member**

Mr. Vikas Garg | **Member**

Key events during the year

New Customers



Mexichem

Mexichem SAB de CV, Mexico



Supreme
People who know plastics best

Supreme Industries Limited, India



BÄRLOCHER

Baerlocher Italia Spa, Italy

New Expansions

Capacity expansion of Rajasthan unit

ORGANOTIN STABILIZERS **1,200 MT** per annum

SPECIALTY COMPOUNDS **8,500 MT** per annum

Commissioning of new export-oriented unit at Noida SEZ, National Capital Region

Construction commenced for new plants at Kandla and Dahej, Gujarat to augment exports and explore new domestic markets

New Recognitions

Quality certifications that recognize our Organotin stabilizer, Tinmate, as safe for use in food-grade applications

- Intertek Deutschland GmbH, Germany
- FICCI Research & Analysis Center (FRAC), India

Upgradation of company ratings indicating improved fundamentals

- Brickworks ratings – from BBB- to BBB+
- Dun & Bradstreet – from 4A3 to 5A2
- Crisil – BBB (long-term borrowings) and A3+ (short-term borrowings) with stable outlook

New Technologies

MoU with Nafigate Corporation, Czech Republic to transfer Hydal technology

Commenced production of Polypropylene compounds for use in the white-goods industry

New Strategies

Initiation of demerger of the high volume and low margin business from Vikas Ecotech Limited (VEL) and subsequent amalgamation with Vikas Multicorp Limited (VML)

New Gurus

- **Formation of new advisory board to fine-tune the strategic growth direction of the company:**
Mr. G. N. Bajpai, Chairman (former SEBI chief)
Mr. Sunil Alagh, Vice Chairman (former MD of Britannia Industries)
- **Minority stake acquisition by Mr. Jayant Chheda (CMD of Prince Pipes and pioneer of the Indian PVC pipe industry)**

History & Timeline

2017

- Mexichem, the global leader in PVC piping comes on board as a customer
- Our Organotin stabilizer Tinmate is certified by Intertek Deutschland GmbH, Germany

2015

- Added facility to manufacture Organotin stabilizers in Rajasthan
- Rebranded the company as Vikas Ecotech Ltd. with a focus on eco-friendly specialty chemicals
- Upgraded to 2 Star Export house status

2016

- Commenced construction of state-of-the-art manufacturing plant and Innovation (R&D) Center at Dahej, Gujarat
- Capacity to produce 6,000 MT of Organotin stabilisers (MTM) and 5,000 MT of special polymer compounds annually

2014

- Offered ESOP to its employees
- Issued Bonus Shares in the ratio 3:2 to all its shareholders
- Received Star Export house status

1998

- Started trading and distribution of petrochemical products

2009

- Commissioned production facility to manufacture Bio Plasticizers

2011

- Established the export division
- Vikas Garg took over as Managing Director
- Ranked as India's fastest growing mid-sized company by Inc. 500

1995

- Listed on BSE & NSE

1984

- Founded a Non Banking Finance Company – Vikas Leasing

2008

- Backward integration into manufacturing. Commissioned 2 units in Jammu for TPR compounds and Organotin stabilizers
- Commissioned production facility to manufacture Mineral fillers for Rubbers & Plastics in Rajasthan
- Name changed to Vikas Globalone Ltd.

Board of Directors



VIKAS GARG
Promoter-Executive &
Managing Director



VIVEK GARG
Promoter-Executive &
Whole-time Director



ASHUTOSH VERMA
CEO & Whole-time
Director



DEVENDER KUMAR GARG
Whole-time Director



SUMER CHAND TAYAL
Non-executive &
Independent Director



VIBHA MAHAJAN
Non-executive &
Independent Director



MANOJ SINGHAL
Non-executive &
Independent Director



KAPIL GUPTA
Non-executive &
Independent Director



Managing Director's Address

Catalysts for Transformational Change.

This annual report demonstrates our progress as change agents. "Catalysts" that are future ready through innovation, inspiration and imagination!



Dear Shareowners,

The past year FY2017 was full of macro-economic challenges and surprises, both globally and in India. Nonetheless, Vikas Ecotech performed well across three key parameters – financial performance & operational efficiency, continuous innovation & discovery of new specialty chemical applications and intimacy-led customer success. Amidst external surprises, our strategic focus and de-risking strategy helped us overcome challenges in a resilient and sustainable manner.

Swimming against the tide, your Company performed exceedingly well against the backdrop of a new normal defined by disruption and change. Your Company's results and achievements are before you and proof that the Company's science-led innovation strategy is strengthening our competitive advantage and enabling its growth even in times of economic, social and political volatility.

This annual report demonstrates our progress as change agents. "Catalysts" that are future ready through innovation, inspiration and imagination!

Let me begin with highlighting our strategy for long-term value creation as we create a 'Made in India' world-class specialty chemicals company.

Winning through uncertainty with rigour and resilience

The US elections and UK's Brexit referendum demonstrated that conventional wisdom is upended by sentiments bordering on short-term populism and parochial hubris. The

current crisis in the Middle East shows how business is a mute spectator to geopolitical suddenness. Therefore, at Vikas Ecotech we remain nimble and agile to adapt to unexpected situations.

The World Bank has predicted that global economic growth will strengthen to 2.7 percent in 2017 thanks to a pickup in manufacturing and trade, rising market confidence, and stabilizing commodity prices. Among the world's seven largest emerging market economies, growth is forecast to exceed the long-term average by 2018. China is expected to register slow growth of 6.5% this year and 6.3% in 2018 while India's growth is expected to accelerate to 7.2% and 7.5% in the following two years.

With the commoditization of the chemicals business globally, the specialty chemicals sector is undergoing a transformational change. And specialty chemicals, given their complexity (high barrier of entry), high margin and profits are the new focus. Increased competition should result in business growth for focussed players like Vikas Ecotech. As you know, the last year

saw diversified MNCs re-focussing on specialty chemicals that resulted in increased M&A activities, new valuation highs and strategic cost-benefit synergies. Industry experts expect the global specialty chemicals market to reach USD 1.2 trillion by 2022 from USD 872 billion in 2016.

With the commoditization of the chemicals' business globally, the specialty chemicals sector is undergoing a transformational change.

East is the new West for Specialty Chemical Innovations

I had mentioned last year how global manufacturing of specialty chemicals is shifting to developing economies. Today, I see an enhanced trend – alongside manufacturing, R&D-led innovation and discoveries in material and application science

are also moving to the East. With crores of consumers in emerging markets, countries like India and China are the new centres of innovation. Indeed, MNCs and western specialty chemical manufacturers are investing in R&D centres in Asia near to its customer base. Moreover, scientific and engineering talent is shifting back to home countries as opportunities for research increase. To be sure, this reverse brain drain will underscore our economic ascent as the best minds start working locally.

Last year saw the specialty chemicals sector experience intense competition that resulted in margin depletion and faster product commoditization as customers demanded faster, better and cheaper solutions. This resulted in specialty chemical producers moving closer to customers for both shorter replacement time and long-term stickiness. At Vikas Ecotech, we too are consistently working towards moving faster and closer to our customers' facilities to ensure predictable orders, inventory planning, better customization and time saving in changes.

According to BASF CEO Kurt Bock, the cost of developing a new active substance in Europe increased from USD 150 million in 1995 to over USD 500 million today. Over the same period, due to an increased focus on human health and the environment, the number of potential compounds synthesized and tested for hazards rose from 50,000 to over 140,000. With this process taking as long as a decade in developed countries, I believe, emerging economies like India can attract significant investments from global MNCs and portfolio investments for setting up R&D efforts in the specialty chemicals sector. With China's demand contraction

due to increased environment regulations and focus on industrial scale production, India has a distinct advantage to become the world's new specialty chemicals R&D hub.

Made in India, Made for the World: Raising the bar for responsible chemistry

Though the Indian specialty chemicals industry is expected to grow from USD 30 billion to USD 80 billion by 2023 witnessing a CAGR of almost 15% per annum, it will remain a bit player in the global market. But as India gains traction as an outsourcing hub, its current share in the global specialty chemicals industry – estimated at about 3-4% – is expected to grow to 6-7% by 2023. As per the National Council of Applied Economic Research (NCAER), Indian middle class households, with higher aspirations and better spending power, are expected to double from 2015-16 levels to 113.8 million households or 547 million individuals by 2025-26. This, in turn, will lead to increased demand for specialty chemicals in the automotive, healthcare, smart city and rural infrastructure sectors, including water treatment, transport and construction.

One of the most prestigious global customer wins for Vikas Ecotech during the year was Mexichem, a worldwide leader in PVC pipes & one of the largest chemical & petrochemical companies in Latin America.

Your Company is ready for mirroring the above macro-trend with R&D led solutions, especially alternative indigenous products for replacing import-intensive specialty chemicals.

One of the most prestigious global customer wins for Vikas Ecotech during the year was Mexichem, a worldwide leader in PVC pipes and one of the largest chemical & petrochemical companies in Latin America. The Organotin stabilizer supplied by us will be used by Mexichem in the manufacturing of PVC compounds and pipes. This product approval validates our differentiated R&D and green product development strategy that meets international quality benchmarks and procurement competitiveness. Today, our government with a firm and charismatic leadership is driving the "Make in India, Make for the World" spirit and boosting the demand for R&D led specialty chemical players like us.

Vikas Ecotech is one of the few home-grown specialty chemical companies that has IPR-equivalent products for both global and domestic customers. During the year, the world's leading 'total quality assurance provider' Intertek Deutschland GmbH, Germany, certified our Tinmate 201 LS for use in the production of safety-critical, food-grade PVC applications as per EU regulations. In India, FICCI Research & Analysis Centre (FRAC) has also certified our Organotin product series for use in safety-critical food-contact applications. Indeed, our commitment to health & safety will help us enter newer markets like Europe to serve customers who are willing to pay a premium for safe and eco-friendly specialty chemicals.

Today, our eco-friendly, lead-free Organotin stabilizer has gained worldwide acceptance; it's indeed a feather in the cap of Vikas Ecotech's R&D efforts.

Strengthening our Profitable Growth & Innovation Strategy

While global demand showed signs of slow recovery, India's economy was hit mid-way by demonetization. Nonetheless, Vikas Ecotech delivered profitable growth through customer intimacy, new product and solution launches and a cluster-based CAPEX plan for enhancing manufacturing capacities. Our strategic initiatives, both in the business and R&D spheres, are helping us avoid macro-economic blips while riding on future trends. Demonetization and GST implementation will have massive long-term benefits for the specialty chemicals sector as unorganized and low-price players will be forced to join the mainstream.

Further, we took steps to cement our governance mechanism and separate our complex high-margin low-volume specialty chemicals

business from the regular trading and recycled compounds business. This move should unlock value for shareholders by creating two robust companies focussed on strategic growth and increased flexibility. A simplified operating and people structure, optimum capital allocation and superior investment strategies will create two independent but strong entities.

We strengthened and fine-tuned our three-pronged strategy for growth that I discussed in my last year's letter.

A.

Right Product, Right Price, Right Time (always)

At Vikas Ecotech, our customer intimacy programme is key to our differentiation as a specialty chemicals player. We are moving closer to our customers (sites) both in our R&D development and production requirements. Quicker response time and the ability to match last moment order-fulfilment and change requirements are the key reasons why we remain the first choice for customers who demand near 100% predictability across the entire supply chain even in the case of complex requirements.

Our agility in R&D to provide customized applications and grades as per customer specifications, price and time requirements is the USP of our customer intimacy programme.

B.

Twin R&D focus – customer driven & innovation-focused

The reason for our success as a specialty chemicals player is 'economies of scope' over 'economies of scale'. High-value chemicals used for special applications help us maintain higher operating margins with lower capital intensity.

Our R&D focus is two-fold: Firstly, we work closely with customers to deliver incremental innovations for enhancing the end features of their products and applications. Working on new formulations and applications, we improve accuracy, product consistency and cost-structure for our clients. Our focus area remains on specialty chemicals and additives, polymer compounds and upcycled materials.

Secondly, our R&D team is working on new discoveries in material sciences that will help make this world better and safer through cleaner and greener technology. Our vision is to discover a 'Made in India' molecular compound as a blockbuster, defensive new discovery in the specialty chemicals sector.

Setting such a benchmark in R&D efforts with low commercial infrastructure costs can place your Company in the value orbit of IPR-led global specialty chemical companies.

This report

demonstrates our

progress as change

agents. Catalysts

who are ready for the

new normal through

innovation, inspiration

and imagination!

C.

Upcycling & Cluster based manufacturing

In line with our customer intimacy strategy, we have rolled out a strategic cluster-based manufacturing approach to serve client segments like PVC processing, automobiles, footwear, healthcare, white goods, agro-chemicals, etc. in an intimate and intricate manner. With our new facilities in Noida (NCR), Kandla (Gujarat) and Dahej (Gujarat), we will serve important clusters that require specialty chemicals and compounds in India.

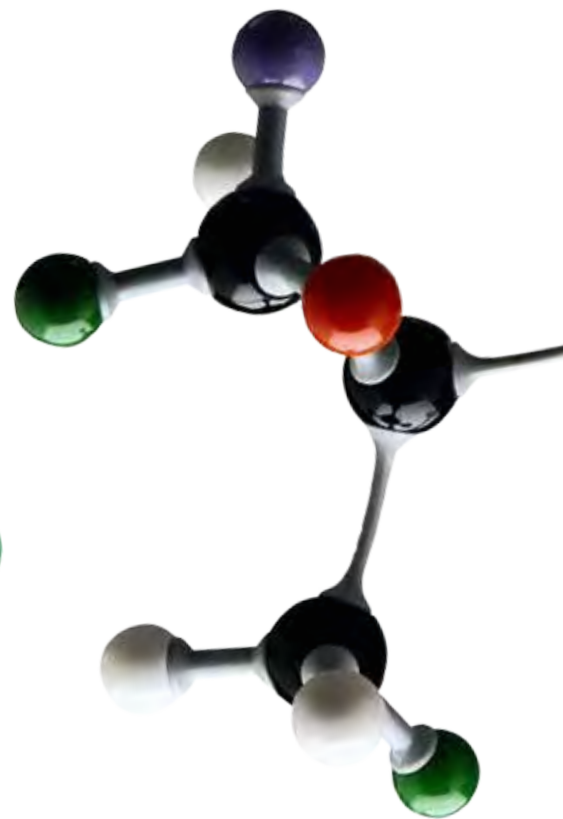
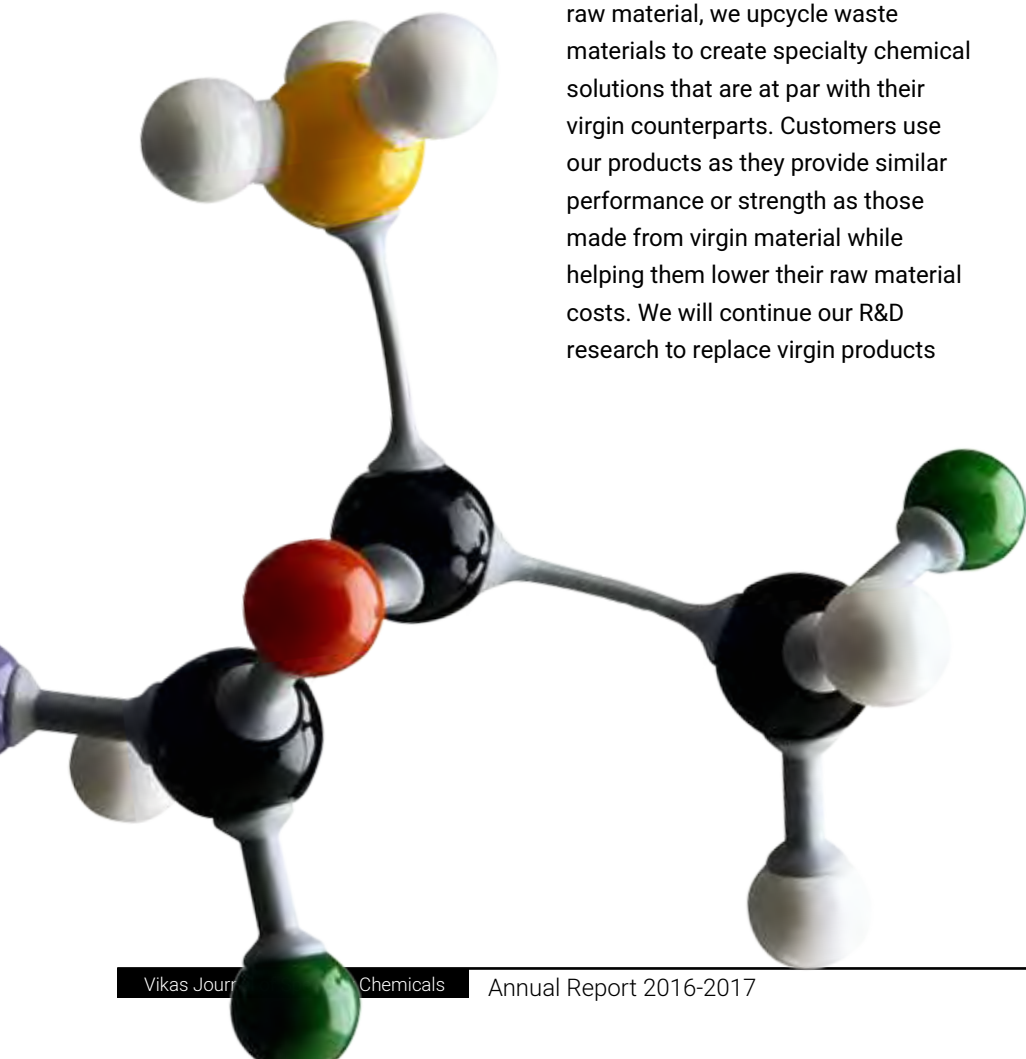
Combined with our current facility at Shahjahanpur (Rajasthan), we will be able to service the automobile, leather & shoe industry, white-goods, PVC pipes and healthcare industries. We hope to garner industry leadership in these sectors like our front-runner position in the domestic Thermoplastic Rubber segment (TPR).

Our state-of-the-art facilities at Noida, Kandla and Dahej that adhere to global quality standards will also serve the export demand. With Kandla and Dahej having access to efficient water-routes and Noida leveraging air-routes, time-to-exports will be reduced.

Another key strategy that is helping us win customers and drive bottom-line numbers is our Upcycling strategy. Our experience has helped us redefine the manufacturing process. For example, instead of using virgin raw material, we upcycle waste materials to create specialty chemical solutions that are at par with their virgin counterparts. Customers use our products as they provide similar performance or strength as those made from virgin material while helping them lower their raw material costs. We will continue our R&D research to replace virgin products

We will continue
our R&D research to
replace virgin products
with 'Upcycling' value
additions. This will help
us to avoid the effects
of commoditization
that the specialty
chemical industry
faces in the long term.

with 'Upcycling' value additions. This will help us to avoid the effects of commoditization that the specialty chemical industry faces in the long term.



Performance

Despite a challenging year that witnessed muted sales due to demonetization and a fire accident, your Company's performance was commendable. Revenue increased to INR 373 crore from INR 312 crore on a Y-o-Y basis, a healthy growth of 19.6%. EBIDTA grew by 29% to INR 69.3 crore from INR 53.8 crore in spite of a challenging year owing to demonetization. Annual Profit after Tax de-grew marginally to INR 23 crore from INR 26 crore on a Y-o-Y basis on account of the INR 16.3 crore extraordinary loss incurred due to the fire incident in a part of the factory during the fourth quarter.

Going ahead, profitable growth and market domination will be our key focus alongside a customer-driven R&D approach. With our new plants becoming operational, we will see significant capacity enhancement helping us drive meaningful top line growth.

Revenue increased to
INR 373 crore from INR
312 crore on a Y-o-Y
basis, a healthy growth
of 19.6%. EBIDTA
grew by 29% to INR
69.3 crore from INR
53.8 crore in spite of a
challenging year owing
to demonetization.

Our R&D scientists too
are disrupting science
to create alternative
new specialty
chemicals and discover
new sources of raw
materials for margin
improvement and
developing innovative
products for new-age
applications.

Fewer but deeper customer engagements and sector domination will play out in the near future. Our vision for a green planet through eco-friendly specialty chemicals solutions will continue to drive our efforts.

Specialty Chemicals to anchor the 4th Industrial (Digital) Revolution

According to a World Economic Forum (WEF) report, like previous industrial revolutions, the chemicals and advanced materials industry will play a major enabling role in the fourth industrial revolution. Lightweight, high-performance materials to build digital appliances, automotive, electric vehicles and drones are among many other examples that will require specialized plastic additives and compounds. We expect a huge growth in demand for specialty chemicals that impart specialized properties and functionalities to end-products.

To be sure, disruption is the new kid on the block threatening conventional business practices and value propositions and giving rise to new business models. Our R&D scientists too are disrupting science to create alternative new specialty chemicals and discover new sources of raw materials for margin improvement and developing innovative products for new-age applications.

Before I sign off, I want to thank our customers, partners and suppliers for their trust, employees for their collaborative efforts and our shareholders for their support. I am positive that this combination of catalyzing change and innovative chemistry should secure Vikas Ecotech a bright future in the coming years.

With Best Wishes,

Vikas Garg
Managing Director

Global Presence

Country wise network

As a **two-star** export house, our products were exported to **20+ countries** across **Asia, Africa, Europe and the Americas**.



Central America

Mexico

South America

Argentina
Columbia

Europe

Germany
Italy
Ukraine

Asia

China
Turkmenistan
Kazakhstan
UAE
Turkey
Pakistan
Vietnam
Iran
Bangladesh
Sri Lanka
Nepal

Africa

Tunisia
Ethiopia

Domestic manufacturing facilities

Dedicated R&D centre

Shahjahanpur,
Rajasthan



Samba,
Jammu & Kashmir



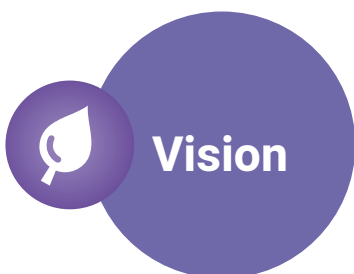
New export-oriented unit

Noida SEZ,
National Capital Region

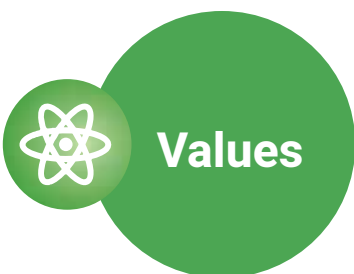
Vision, Mission & Values



“To be a global leader in specialty chemicals and polymers by providing premier-quality products responsibly whilst leveraging science to create maximum value for all stakeholders.”



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



Responsibility

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

Innovation

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

Integrity

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

Customer delight

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

Management Discussion & Analysis

Global Trends in the Specialty Chemicals Industry

Specialty Chemicals Industry in 2016: A Year in Review

The global specialty chemicals market was valued at over **USD 872 billion in 2016**. Experts forecast it to increase globally at a compounded annual growth rate (CAGR) of 6% and reach 1.2 trillion by 2022.

The largest specialty chemical segments in 2016 were electronic chemicals, industrial and institutional cleaners, specialty polymers, surfactants, and construction chemicals. These accounted for 35% of the industry's global sales. The estimated value of the Indian specialty chemical industry was USD 28 billion in FY15. It is expected to grow at 15-20% per annum to USD 60-70 billion by 2020.

In this section, we examine the five key trends that are likely to affect the future of the global specialty chemicals industry and Vikas Ecotech:

Trend 1







Emergence of Modern Demand Powerhouses on the Back of Traditional Growth Factors

The positive outlook for end-user industries has led to increased opportunities for the specialty chemical industry from these footwear manufacturing countries.

Here is an illustration that puts this trend in perspective. Changing employment patterns have a direct linkage to the sales of Thermoplastic Rubber (TPRs), an important compound used in the manufacture of shoe soles and one of the leading products at Vikas Ecotech.

People moving from farmlands to formal working environments will lead to an increasing usage of formal footwear and the subsequent rise in the demand for TPRs.

Global footwear production was estimated at 23 billion pairs in 2015. With sales of nearly USD 230 billion Rapid urbanization, increasing consumerism and intensifying industrialization are the offshoots of a burgeoning population in developing economies. The positive outlook for end-user industries has led to increased opportunities for the specialty chemical industry from these footwear manufacturing countries. India is the world's second largest footwear producer after China.

Country	Shoes Production (No. of Pairs in million)	Per capita consumption (pairs per person)
 China	12,888	1.71
 India	2,209	1.61
 Brazil	819	2.68
 Indonesia	700	1.49
 Japan	79	4.60
 USA	25	6.68

Trend 2

Innovation over Commoditization

A profitable pursuit depends on maximized value offerings as against augmented volume creation.

Global chemical companies are witnessing intense competition for customers and resources while constantly addressing sustainability challenges.

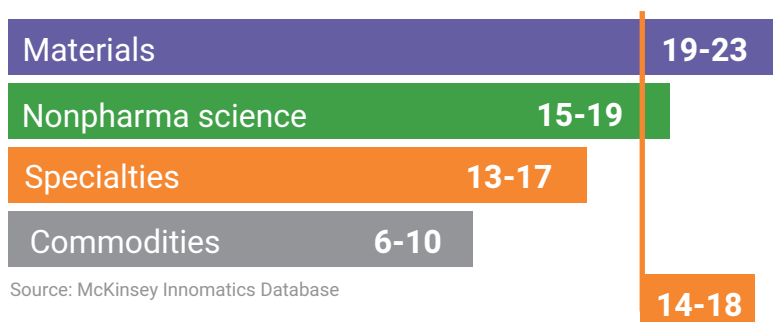
A profitable pursuit depends on maximized value offerings as against augmented volume creation. The age-old maxim of innovation is dethroning the ease of commoditization.

According to a study by McKinsey, the average Internal Return Rate

(IRR) on innovative segments is significantly higher as compared to the commodities segment. The commodities segment yields an IRR of 6-10%, while Specialty Chemicals yields an average IRR of 13-17%.

At Vikas Ecotech, our business strategy focuses on capturing value over volume through pricing excellence, customized solutions and strategic process management.

Internal rate of return (IRR) for new chemical products (%)



Trend 3

Next-generation Technological Intervention in Production Processes

At Vikas Ecotech, we continue to make investments in technological advancements of our manufacturing processes.

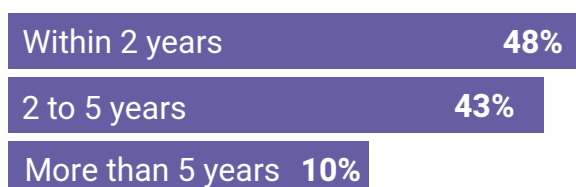
Industry 4.0 is driven by "digitization and integration of vertical and horizontal value chains, digitization of product and service offerings and the development of new digital business models and customer access platforms".

Smart factory environs are taking over the chemicals sector at a rapid pace, connecting the four Ms of manpower, machinery, materials and markets like never before. According to the findings of a survey by PwC, 75% of the 222 chemical companies surveyed

plan to invest 5% of their annual revenues in digitization by 2020. Industry leaders believe that those who are "slow to explore digitization and data analytics may find it difficult to compete".

At Vikas Ecotech, we continue to make investments in technological advancements of our manufacturing processes. We believe that this will add an edge to our innovation-led competitiveness, especially in the global landscape.

Chemicals: most companies expect Industry 4.0 investments to payback within two years



Expected ROI on Industry 4.0 investment

Trend 4

East is the Land of
Rising Players

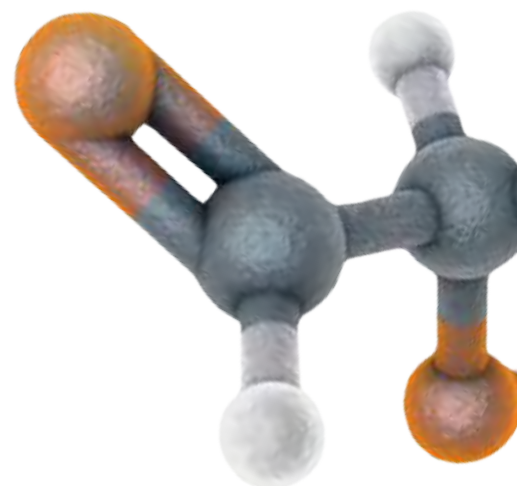
In 2016 alone, the industry witnessed the announcement of 1200 deals valued at more than USD 380 billion.

Over the last few years, India and China have firmed up their positions as key players in the global specialty chemicals industry. Not only are these markets leading consumers but also the powerhouses supplying specialty chemicals globally.

Given their inherent production advantages in terms of deep technical knowhow, abundant raw material availability and low labour cost, the countries are witnessing rapidly increasing demand on the global platform.

At Vikas Ecotech, we are an emerging global player in the specialty chemicals segment with nearly

52% of our annual revenues in FY17 accounting to exports. As a two-star export house, we possess the passion, expertise and quality to finding innovative solutions to some of the most complex challenges faced by the world today.



Trend 5

Reigning Focus on
Strengths to Leverage
Opportunities

At Vikas Ecotech, we have adopted a similar strategy of demerging our Specialty Chemicals, Recycled Compounds and Trading businesses.

At the other end of the spectrum are Demergers, which enable a laser-sharp approach towards companies' strengths. In 2016, one of the oldest chemical manufacturers W.R. Grace split into two public firms – one focusing on catalysts and the materials business and the other on packaging and construction products. The move unlocked about USD 1 billion in share value according to market returns.

At Vikas Ecotech, we have adopted a similar strategy of demerging our high volume and lower margin business from the low volume and high margin businesses. The high-volume segment, comprising of trading and recycled compounds business, will demerge from Vikas Ecotech Ltd. and merge and function under Vikas Multicorp Ltd. (a promoter group company), while the high value businesses, comprising mainly of specialty chemicals production along with the R&D segment, will remain under Vikas Ecotech Ltd. Both the organizations

will be independent of each other – with different management teams, staff and facilities – aligned with their specific business needs. On the back of these factors, we believe that the spin-off will facilitate better focus and economies of scale, thereby enabling each business to unlock maximum stakeholder value.

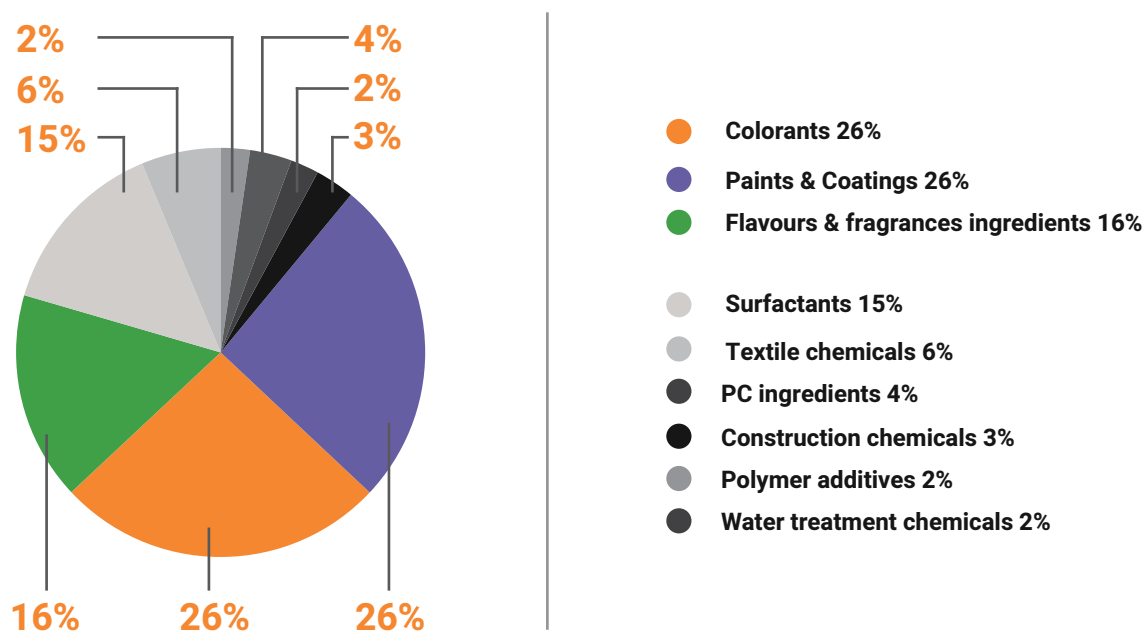
India is rapidly firming its footing as the global manufacturing powerhouse for specialty chemicals. In 2015, for instance, German-based Evonik Industries AG acquired India's Monarch Catalyst Ltd. Following this transaction, all of Evonik's catalyst-based activities in India are being operated through Monarch. Further, Clariant Produkte GmbH, another German-based manufacturer, acquired the black pigment preparations portfolio of Lanxess India Pvt. Ltd in Nagda, Madhya Pradesh. With increasing acquisitions and partnerships with Indian firms, India is fast becoming a preferred destination for manufacturing specialty chemicals.

India's Specialty Chemical Industry:

A Unique Opportunity

A strong consumption story buoyed by India's growing middle-class will give impetus to the demand of the specialty chemicals segment – especially in the construction/ infrastructure, Polymer additives and automotive sectors. India's specialty chemical industry is growing at an annual rate of **14%** and is expected to touch **USD 70 billion by 2020**.

Breakdown of the specialty chemical segment by value (% share, FY14)



India currently is the 3rd largest consumer of polymers. The domestic polymer additives market grew at a compounded annual growth rate (CAGR) of 23% between 2005 and 2015. The growth of this segment is likely to be driven by infrastructure, agriculture, automobiles and white goods consumption.

In this section, we examine a few factors that reflect the opportunities offered by the Indian specialty chemicals industry with an exclusive focus on the polymer segment.

Decoding the Plastic Economy

The specialty plastic/polymer chemicals segment holds high potential in the Indian specialty chemicals sector. According to industry figures, the sector has witnessed intense growth at a CAGR of 23% - from USD 165 million in 2005 to USD 1.31 billion in 2015.

The numbers are hardly surprising, given the low per capita consumption of polymers in India – which hovers around 11 kg in comparison to China's 38 kg, Europe's 65 kg and a global average of ~28 kg. Factors such as increasing use in consumer and infrastructure industries, natural resource conservation will augment the demand for polymers.

Economies of Scope play an important role in the expansion of this sector wherein a single specialty chemical is used across multiple applications to acquire similar properties. For instance, Flame Retardant additives manufactured by Vikas Ecotech are used in cables and wires as well as for artificial marble.

We produce vital specialty chemicals and additives used in plastic/polymer compounds for India's industry leaders across the diverse segments of plasticulture, automotive, retail, healthcare, hygiene and infrastructure.

Propellers of India's Polymer Demand

India has a 3% share in the global production of specialty chemicals. It ranks 22nd on the global producer's index for production of plastics and articles thereof and 23rd on the parameter of synthetic rubber and

factice manufacturing. An increase in polymer production will lead to the development of downstream plastic processing industries and end-user applications. With an approx. annual polymer consumption of ~14 million tonnes in 2016, India is currently the third largest consumer globally after USA and China. The country's consumption of specialty polymers is driven by rapidly expanding demographics and use across key infrastructure and consumer-led growth sectors.

Vikas Ecotech deploys its expertise and R&D led know-how to convert base polymers into polymer compounds such as Thermoplastic Rubber and Thermoplastic Elastomer compounds. These blended compounds are then used by the plastic processing industry in end-user products such as packaging materials, electronic and electrical goods, automobiles, medical applications, footwear soles, consumer items etc.

An increasing scientific temperament is altering India's standing from the world's outsourcing partner to a global R&D leader in the chemical industry. The opportunities are further strengthened by a simplified regulatory environment, cost-competitive manufacturing along with the availability of a skilled workforce. The upcoming Plastic Parks in India will further provide state-of-the-art infrastructure for the development of the sector.

Increasing Thrust on Eco-innovation

Acknowledging the health hazards of toxic metals like Lead, India's National Green Tribunal (NGT) has recently passed an Order and directing the

Ministry of Environment and Forests (MoEF) to draw up a programme for phasing out the use of Lead-based heat stabilizers in the manufacture of polyvinyl chloride (PVC) pipes. Lead is used in the stabilization of thermal degradation in PVC pipes.

The NGT ruling can boost the prospects of companies manufacturing lead substitutes such as Organotin (Tin-based heat stabilizers) in PVC processing. Vikas Ecotech is the only Indian manufacturer to possess this proprietary Green technology for the manufacture of non-toxic Organotin stabilizers. By capitalizing on this patent-equivalent knowhow, we aim to drive safe replacements for harmful lead and other toxic metal-based stabilizers.

Advantages of **Organotin**

Zero toxicity

Highly effective liquid tin metal based PVC heat stabilizer

Designed for thermally stabilizing vinyl copolymers

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

Judgement of the National Green Tribunal (NGT) on the use of Lead in PVC Pipes & Products

On 25th May, 2017, the judicial body on environment issues, National Green Tribunal (NGT) passed a judgement on phasing out the use of lead in Polyvinyl Chloride (PVC) pipes and other related products. We dwell into the judgement, decode the reasons behind it and decipher its likely consequences:

Why is Lead used in PVC pipes?

Lead provides PVC pipes with an extensive service life through excellent stabilizing effects and the ability to endure longer fabrication hours. The mineral is abundantly available and hence, a cost-effective component in the manufacture of PVC pipes.

Why is lead considered to be harmful?

Lead has several harmful effects on health and environment. Some of these include

Effects on Human Life:

Lead is known to cause life-disabling ailments such as anaemia, kidney failure, disruption of the central nervous system and brain damage and intellectual disabilities.

Effects on Flora:

Lead pollution coats the surface of the leaf and reduces the amount of light reaching it. This results in a reduced rate of photosynthesis, causes the elongation of plant cells and interferes with root development. Consequently, the plant growth is stunted or stopped.

Effects on Fauna:

Lead affects the central nervous systems of animals and inhibits their ability to synthesize red blood cells.

In certain chemical environments, lead is transformed in a way that increases its solubility and bioavailability and hence its toxicity.



How does Lead in PVC pipes affect life and the environment?

Lead moves into and throughout the ecosystem through the use of PVC pipes owing to their versatility of use and affordability. PVC pipes are today used extensively in the sectors of agriculture, sanitation and plumbing. Here are some ways in which lead leaches through these pipes:

- Lead travelling through PVC pipes accumulates in the soil, and it may be retained in the upper layer for many years.
- In cultivated pastures of land, lead gets mixed with soil to the depth of the root zone.
- Use of lead containing PVC pipes for distribution of drinking water is a matter of concern especially in urban municipal water distribution networks.

What is the petition about?

Noting the fatal effects of lead contamination, a Non-Government Organisation (NGO) filed a petition with the NGT in 2015 to:

- Take remedial and preventive steps to control the environment and ecological damage caused by the use of lead in manufacturing of PVC pipes and other products.
- Constitute a suitable body to regulate and verify manufacturing process.

- Issue stringent regulations for using and eventually phasing out lead based heat stabilizer in PVC industry.

- Promote the use other stabilizing agents such as Tin, which are not hazardous to environment and human life and are readily available.

What was the judgement?

The NGT directed the Ministry of Environment & Forests and Climate Change (MoEF & CC) to:

- To notify quality standards of lead to be used for PVC pipes
- To lay down the standards for presence of lead in PVC pipes, in consultation with the Bureau of Indian Standards (BIS)
- To draw up a programme for phasing out of lead as stabilizer in PVC Pipes

NGT has given the MOEF & CC ministry a time of 4 months from the Order date i.e. 25th May, 2017 to comply with and bring out the Rules and Notifications.

What are the implications?

With this judgement, India becomes one among the increasing number of countries to undertake concrete steps to phase out the use of lead in PVC products.

Methyl Tin Mercaptide also known as Organotin is the globally sanctioned alternative to lead stabilizers used in the manufacture of potable water pipes and fittings. Currently, Vikas Ecotech is the only Indian company to provide this technology.



Financial Performance

A Year of Power-packed Performance in a Challenging Environment

In FY17, the company registered net revenues of INR 373 crore, registering a 19.6% increase over last year's revenues of INR 312 crore.

EBIDTA for the year stood at 69.3 crore, in comparison to 53.8 crore achieved in the previous year at a healthy growth of 28.7%. Profit before tax (PBT) and extraordinary items stood at INR 52 crore during the year, as compared to INR 39 crore during the previous fiscal – registering an increase of 33%. **The EBIDTA margins also exhibited an expansion of 132 basis points from 17.25% to 18.57% in FY17.**

During the year, the company's performance was affected by two major external events: demonetization and an accidental fire outbreak at one part of our Shahjahanpur manufacturing plant in Rajasthan. However, both these events did not have a lasting impact on either our operations or financial performance. Consequently, the company delivered positive results, albeit muted, during the last fiscal. The loss due to the fire impacted the profitability as a one-time extraordinary item, however, this loss will be recovered as insured claims in the coming year.

Our ability to remain profitable in the face of such extreme challenges proves the resilience of our business model. We attribute the improved unit economics to the triple-layered strategy adopted by us during the year.



Custom-innovation and quality enhancing investments led to major client wins

Our science-led innovation strategy, which places our customer requirements at the centre of all of our efforts, was aided by technological investments that further enhanced the quality of our products. Consequently, we succeeded in acquiring prestigious global and local leaders as our clientele.

Customer-intimacy led business approach

The launch of a strategically located, dedicated unit helped in timely delivery for our customers and strengthen our position as suppliers-of-choice.

Gold standards of governance

We fortified our financial performance and operational efficiencies in the context of a volatile economic backdrop by adhering to high governance standards. Subsequently, we were able to attract senior industry leaders to join our team as advisors and senior management members.

The demerger of recycled compounds and trading divisions from Vikas Ecotech Limited into a promoter group company was an important strategy shaped during the year. The demerger will help us –

- Unlock the true value of the businesses and to achieve prosperity in each segment of the businesses.

- The management believes in segregating its high potential product groups, so as to propel them on different and distinct value-growth trajectories.
- To gain economies of scale, unify all shareholder interests and eliminate any conflict of interests.
- To transform the high potential product groups into separate legal identities thereby maximizing shareholders value.
- Sharpen the focus of both the organizations through greater flexibility, better access to suitable manpower and more definite growth paths.
- This strategy should enable each of the businesses to achieve a 1,000 (thousand) crores topline in their own sphere of operations over the next 4-5 years.
- In the end, the objective of this exercise is to create massive value for stakeholders.

During the year, our performance was impacted by the following factors:

Just-in-time Delivery

Our customer-intimacy led approach helped enhance our efficiency and value as suppliers. During the year, we devised various ways to be closer to our customers. This has enabled us to cater to their requirements instantly while facilitating better business predictability.

Secondly, our new units at Dahej & Kandla in Gujarat are strategically located to deliver the right products at the right time at the right price to

our customers across a wide range of industries in West and South India.

Premium Product Play

One of the main reasons that demonetization did not have a significant impact on the company's performance was due to our premium product play and ability to innovate according to custom requirements.

This qualitative strategy enabled us to export our products globally and hence contributed to geographic de-risking. Factors such as international quality certifications for our products such as the Organotin stabilizer further reinforced the premium price play in the international markets.

Fire Outbreak at Shahjahanpur in Rajasthan

The last year ended on a painful note for the company as an accidental fire broke out at the company's newly commissioned Polypropylene manufacturing unit at Shahjahanpur in Rajasthan. The resultant damage was limited to a single factory building that housed the Polypropylene section and a material warehouse.

Fortunately, no casualties were reported. However, we put our disaster recovery plan in action almost immediately and ensured that most delivery schedules remained unaffected. The entire building as well as the stock was insured: we are hopeful of reversing the setback with the claim settlement expected by this year-end.

Specialty Additives

Our Solutions Reinforce and Enhance Performance

Our specialty additives segment encompasses intensive research & development capabilities supported by world-class technology. Over the years, our team has invented a wide range of high-performance, eco-friendly additives including heat stabilizers and plasticizers for diverse processing need and end-user applications.

Our solutions in this segment are customized to match exacting customer requirements and are developed in line with global quality standards. In FY17, the specialty additives segment contributed 18% to the overall revenue at Vikas Ecotech. Our products in this segment include non-toxic, eco-friendly additives that are used in a wide variety of applications across industries. Our best-in-class quality finds validation through approvals by international agencies and a global customer base.

Specialty Additives @

Vikas Ecotech

- Custom innovated
- Quality assured
- Favourable price performance ratio

In FY17, the specialty additives segment contributed XX% to the overall revenue at Vikas Ecotech. Our products in this segment include non-toxic, eco-friendly additives that are used in a wide variety of applications across industries. Our best-in-class quality finds validation through

approvals by international agencies and a global customer base.

Organotin Stabilizers – the Star of Specialty Additives

We are India's only indigenous manufacturer of Methyl Tin Mercaptide (MTM) or Organotin stabilizer. Organotin stabilizers are the only alternative to lead-based stabilizers to be approved by the US Food and Drug Administration (FDA) agency. During the last year, our products under this segment were certified as food contact-safe by global agencies including Intertek Deutschland GmbH, Germany and FICCI Research & Analysis Centre (FRAC), India. These accreditations give our products an added edge in the global and local markets.

Further, acquiring Mexichem, the global leader of polyvinyl chloride (PVC) pipes, as a customer in the organotin stabilizer segment was a milestone for the company. This achievement will have a multiplier effect on our sales in South America. We anticipate the supply contract from prestigious customers like Mexichem and Baerlocher shall enable us to cultivate similar sophisticated global clientele. Additionally, it will result in increased sales by reducing customer approval timelines significantly.

According to industry estimates, Indian market demand for organotin stabilizers is pegged at 7,000 MT per annum growing at a robust compounded pace of 20% annually.
















The global demand is estimated to be around 1,50,000 MT per annum. Keeping in view of the high domestic and global demand, we plan to treble our manufacturing capacities in this segment over next 2-3 years. Currently, we possess the capacity to manufacture 3,000 MT of organotin stabilizers annually.

Other Performers

Further, in FY17, our range of products under this segment including plasticizers and flame retardants, continued to witness healthy demand. Factors such as a booming infrastructure industry, implementation of stringent safety measures and eco-friendly norms are aiding the sales growth of these products.

Vikas Ecotech is a premiere supplier of Aluminium Trihydrate (ATH), which is a preferred compound in the manufacture of flame retardants. It's low cost and versatility of use make it an alternative of choice for halogen-free flame retardant additives. In FY17, we increased our production efficiencies to meet the demand for ATH among our consumers. Additionally, our research enabled us to further up the efficiency of the compound – fulfilling stringent low smoke parameters by significantly suppressing smoke generation in plastics and rubbers.

About: Specialty additives impart value-enhancing properties such as strength, durability, lustre or heat sensitivity in end-use products

Our Products	Properties	Our Brands	Industries	Applications
 Organotin Stabilizers	Protect PVC from the degrading effects of heat	Tinmate	 Infrastructure	<ul style="list-style-type: none"> • Pipes • Window profiles • Cable ducts
			 Agriculture	<ul style="list-style-type: none"> • Pipes • Irrigation
			 Healthcare	<ul style="list-style-type: none"> • Medical Devices
			 Packaging	<ul style="list-style-type: none"> • Industrial packaging • Food packaging
 Plasticizers	Added to synthetic resins to produce or promote plasticity & flexibility and to reduce brittleness	Addflex	 Food packaging	<ul style="list-style-type: none"> • Food packaging • Food grain storage
			 Healthcare	<ul style="list-style-type: none"> • Blood bags • IV Tubes • Pharmaceutical packaging
			 Infrastructure	<ul style="list-style-type: none"> • Pipes and ducts • Wires and cables
			 Automotive	<ul style="list-style-type: none"> • Interior trims and gaskets
 Flame Retardants	Inhibit, suppress or delay development of flames to prevent spread of fire	V-Ecoflamex	 Infrastructure	<ul style="list-style-type: none"> • Cables and wires • Paints & coatings • Insulation materials • Structural and decorative products • Roofing components • Artificial marble and floorings
			 Textile	<ul style="list-style-type: none"> • Furniture upholstery
			 Electricals	<ul style="list-style-type: none"> • Household appliances • Electronic circuit boards • Conveyor belts
			 Transportation	<ul style="list-style-type: none"> • Seats, headrests, armrests • Roof liners • Internal structures (overheads, dashboards)

Polymer Compounds

Solutions with a Differentiated Advantage

Vikas Ecotech is a leader in polymer compounding with a focus on specialty rubber-plastic and polymer compounds. Our material-science knowledge, innovative blending capabilities and an increasing range of high-performance products reinforce our capabilities under this segment.

With these advantages, we offer best-in-class solutions for unique manufacturing challenges faced by our clients.

In FY17, the speciality compounds segment contributed 49% to the overall business at Vikas Ecotech. The last fiscal saw, this segment registering an impressive growth of 21% over the last fiscal. Foreseeing the increased demand for our compounding products has led to enhance the capacity by nearly 50% during the course of last year.

Custom compounding for high-performance

Our custom-innovated range of products in the thermoplastic rubbers (TPR) segment offers a competitive advantage to customers owing to

its characteristic features such as excellent flexing, fatigue resistance, high impact strength and abrasion resistance. Our SATRA-certified range of TPR products are at par with global standards.

The footwear industry is one of the main consumers of TPR compounds. We supply TPR compounds that go into the end products of many leading Indian and global footwear brands including Relaxo, Liberty, Zara, Hush Puppies, Bugati etc. Our near-to-customer supply chain strategy adds to their efficiencies as well as to our effectiveness as preferred suppliers of essential components.

Apart from the footwear industry, TPR compounds also find extensive application in the automotive industry. Our other compounding products, specifically, polypropylene (PP), are used in the electrical goods and retail segment.

We are one of the leading suppliers of Thermoplastic Elastomer (TPE) compounds for healthcare device manufacturers in the country. Since the inception of our TPE product line in 2015, our products have consistently matched the stringent requirements of medical equipment producers and are used widely across syringes and other disposables.















Given the high-performance and light-weight of TPE compounds, global auto-manufacturers are increasing its use in newer car models. For instance, automakers are switching to car floor mats made of TPE compounds as

against Rubber. Our manufacturing unit at Shahjahanpur is strategically located close to the automotive belt of Bawal, Manesar and Neemrana where original equipment manufacturers (OEMs) for leading brands such as Hero, Honda and Maruti Suzuki are present. The global trend will prove beneficial for the future sales of elastomer compounds. Besides the medical devices and automotive segment, our TPE compounds are also used in infrastructure, industrial and electrical sectors.

The high levels of urbanization and rapid changes in consumer patterns aided by increasing disposable incomes, will certainly increase the demand for polymer compounds. In view of the high demand for our products under this segment, we have increased product offerings during the last fiscal and are continuously developing new applications for our products.

In FY17, the specialty compounds segment contributed 49% to the overall business at Vikas Ecotech. The last fiscal saw, this segment registering an impressive growth of 21% over the last fiscal.

About: Custom formulations created by blending polymers and additives to obtain synergistic properties

Our Products	Properties	Our Brands	Industries	Applications
 Thermoplastic Rubbers (TPR)	Replacement application of rubber and soft plastic	Veeprene	 Footwear	<ul style="list-style-type: none"> • Shoe soles • Floaters • Safety shoes • Industrial shoes
			 Automotive	<ul style="list-style-type: none"> • Automotive gaskets • Profiles • Protective gears • Pipes
 Thermoplastic Elastomer (TPE)	Hybrid properties of rubber and plastic with excellent synergistic properties	Veeprene	 Healthcare	<ul style="list-style-type: none"> • Syringes • Disposable IV sets • Medical devices • Catheters
			 Automobiles	<ul style="list-style-type: none"> • Snowmobile tracks • Profiles • Suspension bushings • Interiors • Floor mats
			 Household Appliances	<ul style="list-style-type: none"> • Refrigerator gaskets • Door handle grips
			 Industrial Application	<ul style="list-style-type: none"> • Hoses & tubes • Chemical tubings • HVAC industry • Extrusion of Glass
			 Footwear	<ul style="list-style-type: none"> • Shoe Soles
			 FMCG	<ul style="list-style-type: none"> • Pen grips • Toothbrush grips • Headphone cables
			 Infrastructure	<ul style="list-style-type: none"> • Wires & Cables
 Ethylene Vinyl Acetate (EVA)	Widely used in compression and injection moulding of cross-linked foams	Vikolene	 Footwear	<ul style="list-style-type: none"> • Midsoles • Insoles • Outsoles
			 Wires & Cables	<ul style="list-style-type: none"> • Jackets • Coating application

Upcycled (Recycled) Materials

Solutions that are Eco-conscious & Sustainable

Upcycling is a process of value addition to discarded and waste polymer products. It converts them into new materials of equivalent or higher quality and better environmental value. It is a highly sustainable and valuable business proposition in the green economy and a growing focus area at Vikas Ecotech.

Upcycled materials manufactured by Vikas Ecotech are comparable to virgin compounds in terms of quality, performance and usability. Most importantly, they cater to the green demands of the evolving economy. Our team of engineers and scientists have innovated unique ways to recycle and upcycle plastics from waste streams and convert them to high-performance, eco-friendly products.

In FY17, the recycled materials segment contributed 11% to the overall business at Vikas Ecotech. Since the inception of this segment in FY2015, we are witnessing

an increasing appreciation and acceptance of our upcycled products among customers.

The sales of this segment increased by 47% in FY17 in comparison to FY16. Given the growing interest, we believe that this segment will see considerable traction in the future. In fact, the demerger of this division from Vikas Ecotech and merger with Vikas Multicorp has been formulated considering the huge demand envisaged for this segment of our products.

Recycled Materials @

Vikas Ecotech

- Custom-innovated

- Sustainable

- Virgin compound

equivalent or better

Vikoflex:

Harbinger of the Upcycling Revolution @ Vikas Ecotech

Polyvinyl Chloride (PVC) is among the earliest invented polymers. It is known for its flexibility and versatile properties. Understandably, it is one of the most popular polymers to be used across a wide range of industrial, technical and household applications.

The global production of PVC was pegged at 41 million MT in 2016 and is expected to grow at a compounded annual growth rate (CAGR) of 4.8% between 2016 and 2022. Given that PVC is a recyclable material, a substantial portion of this demand can be met through recycling.

Vikas Ecotech is proud to be part of the global movement that aims to increase the percentage of recycled PVC in new products. Vikoflex is our range of upcycled PVC compounds.

Consistent in quality and performance, our upcycled PVC products are fire resistant and offer high strength properties. Besides contributing eco-efficiencies, our recycled range of PVC compounds have a positive impact on profitability for our customers since they are more economical compared to their virgin counterparts.

The global production

of PVC was pegged at

41 million MT in 2016

and is expected to

grow at a compounded




annual growth rate

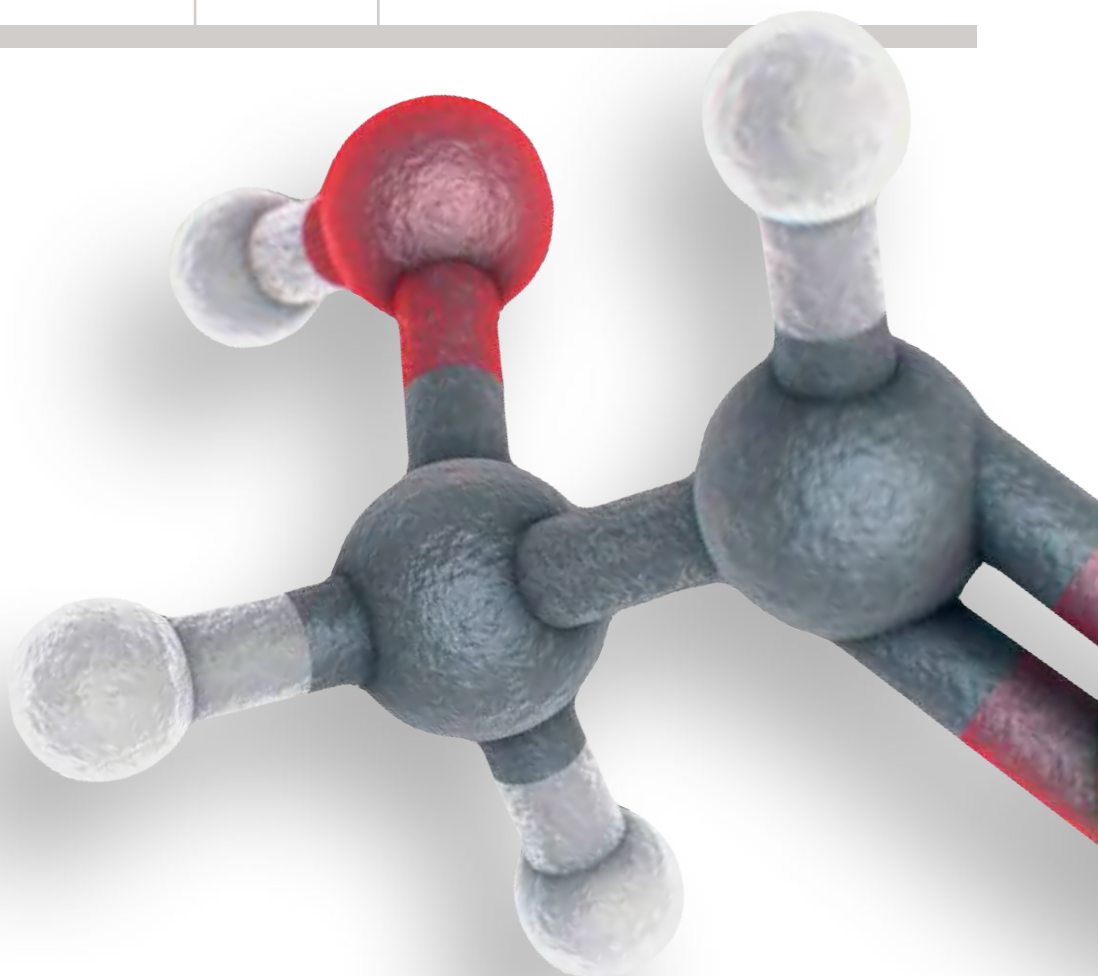
(CAGR) of 4.8%

between 2016 & 2022.



About: Custom formulations created by blending polymers and additives to obtain synergistic properties

Our Products	Properties	Our Brands	Industries	Applications
 Polyvinyl Chloride (PVC) Polymer Compounds	General purpose plastic that is extremely versatile with inherent fire-retardant properties	Vikoflex	 Infrastructure	<ul style="list-style-type: none">• Pipes & fittings• Wires & cables• Waterproofing membranes
			 Construction	<ul style="list-style-type: none">• Flooring• Window frames & shutters• Roofing



Demerger

In FY18, Vikas Ecotech's business will be demerged into two public companies with the purpose of improving our strategic focus, simplifying operating structures and inducing more efficiency in capital allocation and structuring.



Vikas Ecotech Limited (VEL)

- Integrated, multi-specialty chemicals company with a focus on eco-friendly additives and rubber-plastic compounds
- Manufacture high-value complex specialty compounds used in a varied cross-section of high-performance, environment-friendly and human-safety applications

Vikas Multicorp Limited (VML)

- Recycled compounds & chemicals trading house with rich experience in international and domestic polymer markets
- Upcycling of PVC and PET waste and manufacture of virgin equivalent compounds
- Trading of PVC industry-related products and chemicals

Businesses

Specialty Compounds and Additives

- | | |
|----------------------------------|----------------------------|
| ● Organotin Stabilizers | ● Impact Modifiers |
| ● Thermoplastic Rubber Compounds | ● Poly Propylene Compounds |
| ● Thermoplastic Elastomers | ● Plasticizers |
| ● PVC Compounds | ● Flame Retardants |
| ● EVA Compounds | |

Businesses

- Upcycled Compounds
- Polymer products and chemicals

Demerger Rationale

The demerger has been planned on basis of the following rationale with an aim to improve shareholder value:

1. Enhanced Focus:

Creation of 2 strong, focused operating companies positioned to capture distinct opportunities

- ✓ Strong, free cash flow
- ✓ High returns on invested capital
- ✓ More efficient capital, strategy and manpower allocation

2. Simplified Operating Structure

Compelling growth and margin opportunities as a result of

- ✓ Improved management focus and better value creation
- ✓ Cost productivity and optimized financial support

3. Strong Financial Profiles

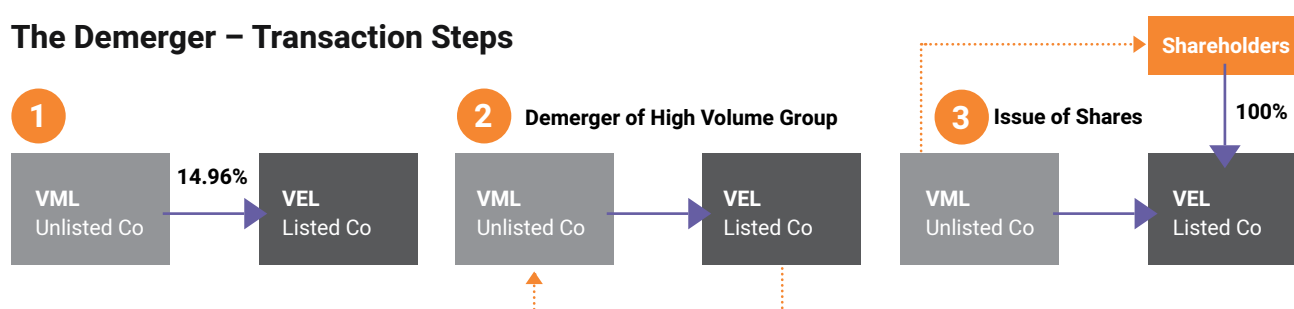
Optimized capital structures that will result in

- ✓ Financial flexibility to pursue independent growth opportunities for each company
- ✓ Simpler investment thesis
- ✓ Distinct investment identities

Vikas Ecotech Ltd. (VEL) & Vikas Multicorp Ltd. (VML) : Differentiated Business Strategies

Our Products	VEL: High Value Group	VML: High Volume Group
Approach	Differentiated & focused ✓	Low-cost leader with healthy margins ✓
Customer Genre	High value ✓	High volume ✓
Sales Strategy	Research & customer intimacy based ✓	Distribution & price focused ✓
Business Drivers	High profitability ✓	Faster working capital & better control on receivables ✓
Manpower Qualities	Knowledge of science and chemistry ✓	Sales & distribution efficiencies ✓

The Demerger – Transaction Steps



- 1) VML holds 14% stake in VEL
- 2) VEL to demerge its 'High Volume Group' into VML through a NCLT approved scheme of arrangement
 - All assets and liabilities relating to the High Volume Group of VEL to be transferred to VML
- 3) VML to issue shares to all the shareholders of VEL in the ratio of 1:1

Demerger Transaction Details

Transaction Structure	<ul style="list-style-type: none"> • VML to issue 1 equity share for every 1 equity share held by the shareholders of VEL • Shares of VML to be listed on stock exchange
Timing	<ul style="list-style-type: none"> • Transaction expected to be completed during FY17-18
Financial Policy	<ul style="list-style-type: none"> • Both companies expected to be well capitalized and positioned for growth • Disciplined, returns-based approaches to capital allocation
Principal Closing Conditions	<ul style="list-style-type: none"> • Separation is subject to NCLT closing conditions, including final approval of VEL stakeholders

Research and Development

Science for Better Business

Over the last decade, the specialty chemicals industry has witnessed a paradigm shift from mere molecular management to providing genuine solutions for end-users.

Innovation that enables significant enhancement of end-user applications as well as sustainable and timely solutions to specific problems are the key demands of new-age customers. Additionally, the focus on environmental stewardship is emerging as a global imperative in the specialty chemicals industry.

Keeping with these key trends, the R&D efforts at Vikas Ecotech are based on a two-tiered approach:



Customer-centric solutions: Science for Better Business

We believe that customer centricity is the key differentiator in low-growth but hypercompetitive business environs – a scenario typical of today's specialty chemicals industry.

Our R&D approach is multi-dimensional – aiming to provide solutions to the most challenging problems faced by our customers while increasing their efficiencies. Further, an optimized production strategy together with a nimble-footed R&D approach has supported our ability to respond to rapidly changing customer demands and on-time order fulfilment.

An amalgamation of all these factors has contributed to our ability to sustain growth in uncertain times.

Our scientific efforts are anchored in the belief that a healthier and greener planet for tomorrow requires safer, improved and efficient alternatives to be invented today. With our eco-innovation abilities, Vikas Ecotech holds a distinct advantage over competitors.

For instance, a major trend in the footwear industry is towards creating light-weight, high-performance footwear.

Our R&D team is in the process of developing an economic alternative for manufacturing shoe soles, a light-weight Thermoplastic Rubber (TPR) compound. The substitute will comprise of thermoplastic rubber technology incorporated to increase the slip resistance of ethylene vinyl acetate (EVA) compounds. This compound, which is typically used in the manufacture of shoes by brands such as Crocs and Skechers, will be hardened to suit the requirements of the shoe industry. We are in the pilot phase of this product and will be launching it commercially later this fiscal. We are anticipating commendable traction from this product over the next 3-4 years.

Environmental stewardship: Science for Better Sustainability

Our scientific efforts are anchored in the belief that a healthier and greener planet for tomorrow requires safer, improved and efficient alternatives to be invented today. With our eco-innovation abilities, Vikas Ecotech holds a distinct advantage over competitors. Our engineers and scientists have achieved significant milestones in creating high-performance, low-value products from recycled raw materials.

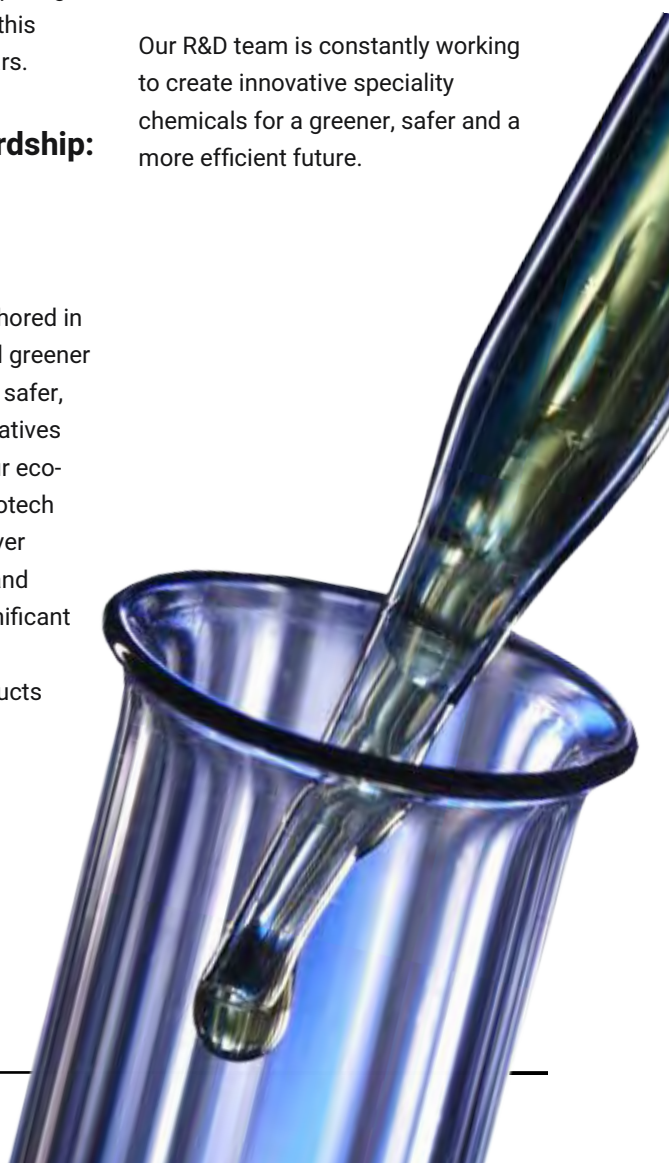
This factor gives us a huge advantage in a contracted market space as it reduces our production costs thereby enabling higher profit mark-ups. Further, new-

age challenges demand innovative solutions. For instance, the innovative use of thermoplastic elastomers (TPEs) instead of rubber or polyvinyl chloride (PVC) in car floor mats. Typically, PVC is dense and offers less grip. Replacing the material with TPE reduces the weight of floor mats in cars by 30%, enables better grip and contributes to the vehicular eco-efficiencies significantly.

The location of our unit located close to the automotive belt of Bawal, Manesar and Neermanna helps in catering to the growing demand for our TPE products in the automotive industry.

New material innovation: Science for a Better Future

Our R&D team is constantly working to create innovative specialty chemicals for a greener, safer and a more efficient future.



Discover. Discipline. Deliver.

Agents of Change

A scientific environment to catalyze disciplined innovation and discovery is central to our philosophy; people and knowledge are our key strategic assets.

At Vikas Ecotech, we are passionate about R&D as new discoveries for enhanced performance and functional applications ensure delivery of customized solutions to clients. Green specialty chemical research is a key motivator for our employees.

As discussed earlier in the report, with shifting demographics and manufacturing moving to Asian geographies, the market for talent is getting competitive. With multinational companies present in India, we are conscious of the importance of talent attraction, retention and growth. As mentioned by our Honourable PM, a mix of positive government policies and 'Made in India' pride is creating a reverse brain drain that he termed as 'brain gain'. We believe that as a pure-play science company, we can attract the best scientific, engineering and managerial talent.

During the year, our products and solutions met with increased acceptance among the best global and domestic customers. From a

pure manufacturing outlook, we devote considerable time and efforts in our R&D labs. We are moving towards creating an organization with scientific intellect and rigor. Scientists,

chemical technologists, engineers and researchers comprise a significant part of our workforce. As an Indian specialty chemicals leader, we want to attract the best global talent in



specialty chemicals and material application sciences.

In the past year, our human resource efforts yielded results both in the case of lateral senior level and junior level hires. We maintained harmonious relations with our employees in our manufacturing plants whilst adhering to all health and safety norms.

We have built a culture of meritocracy and professional conduct on the 3D pillar.

Discovery

(Innovation):

Our scientific, cultural bias helps us to continuously work on new discoveries, be it new molecules or mixtures popularly known as formulations. Unlike chemicals that are known by their composition, the key to success as a specialty chemical company is the enhancement of performance or functional applications. Blending experiments with trial and error, and ongoing innovation in our R&D labs ensure we have a heavily pregnant pipeline that showcases our diverse innovation capabilities.

Our innovation strategy is two-fold. First, our R&D team collaborates alongside customer teams to develop specialty chemical formulations that increase the performance, strength, age or processing of the customer's end product. Second, we are concentrating on discovering new molecules and formulations that when commercialized become defensive 'blockbuster' plays.

The team works on few of the most cutting edge and exciting technologies in our sphere.

Discipline

(Cost Control):

At Vikas Ecotech, we are aware and disciplined with our R&D costs. The past decade has seen tremendous time and money being wasted on new molecule or active substance discovery in pharma, healthcare, pure or application sciences. Large firms have been saddled with huge write-offs affecting financial performance while start-ups have gone belly up in their discovery adventures.

We believe in an incremental innovation focus. It is a collaborative time-based co-experimentation approach alongside clients. It is critical to have a disciplined and methodological thinking. All our team members ensure an R&D focus that is customer-oriented and has genuine goalposts with regards to results, costs and timelines. Commercialization and fiscal viability are important measures that our R&D team follows for all their research activities.

Delivery

(Commercialization):

As a science-led business, our employees understand that our R&D efforts need to result in products that win in the marketplace. Academic and scientific rigor is matched with commercial common sense in evaluating every research project. At Vikas Ecotech, we believe R&D efforts that cannot be rolled out for the genuine good of customers negate societal value.

Our knowledge capital and specialty chemicals discovery is making a positive and green difference for a better, safer and greener planet. The dream and belief of being the Catalysts of Change who contribute meaningfully for a better tomorrow is the biggest motivation for all of us to come to work every day.



Risk & Concerns

Political and Territorial led risks due to external events not in the control of the company like natural acts of disaster, man-made conflicts and any other such event may hinder the growth of the company. Any policy or regulatory measure taken by the government at the state, country or international level that creates imbalances in price, currency or any day to day operational factor pose a risk. Raw material availability, price fluctuations due to currency or any scientific discovery that results in technology obsolescence are inherent industry risks.

Internal Control Systems & Their Adequacy

The company has adequate internal control systems and procedures including the financial and operating functions commensurate with the nature and size of the company's operations.

Cautionary Statement

This Annual Report contains certain forward-looking statements with respect to the financial condition, results of operations and business of Vikas Ecotech Ltd. (VEL) and certain of the plans and objectives of VEL with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITDA and future developments in our business. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

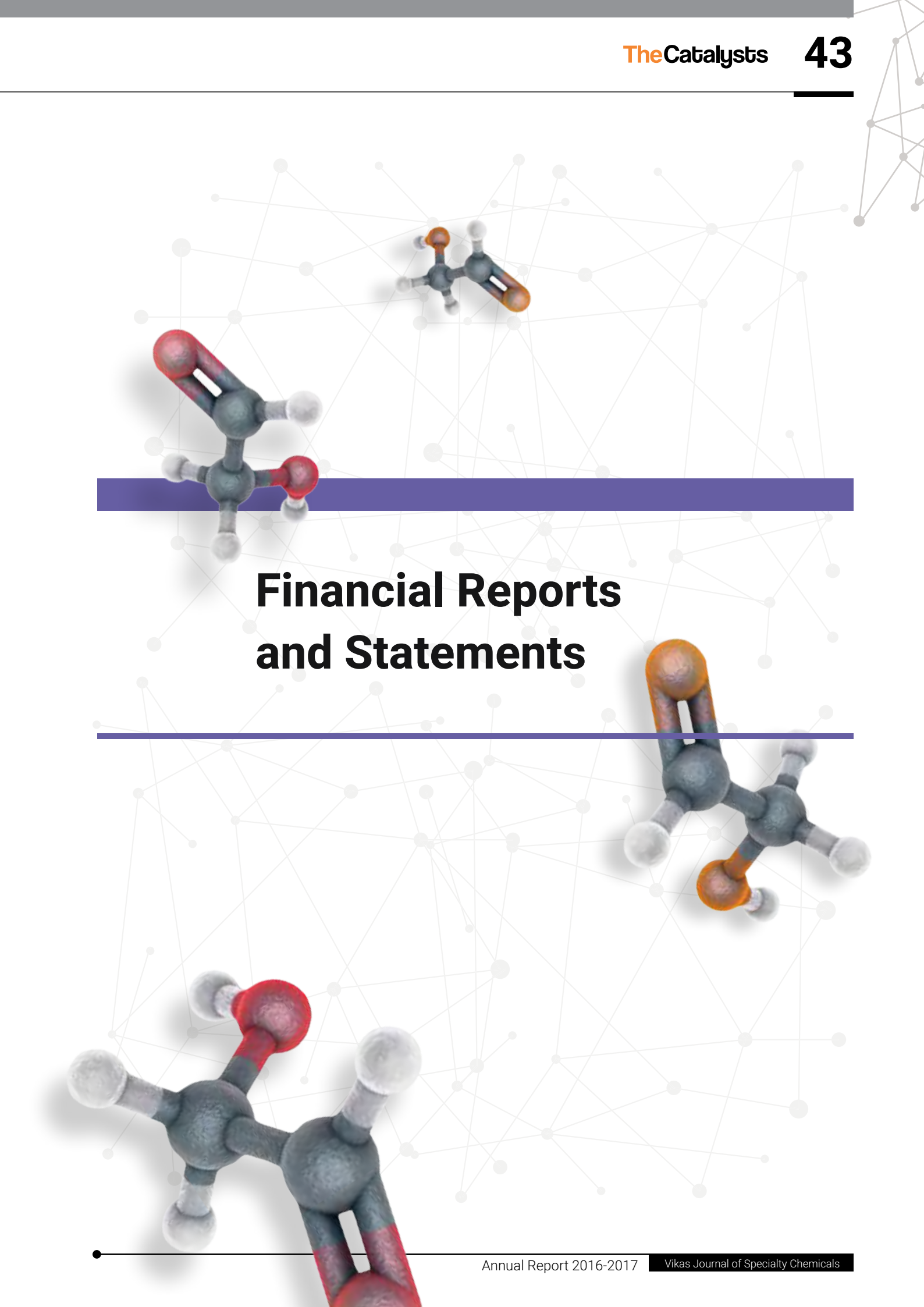
These factors include, but are not limited to, domestic & global

economic and business conditions, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where VEL operates, industry consolidation and competition. As a result, VEL's actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made and are based upon the knowledge of and information available to the Directors on the date of the 2017 Annual Report.

The information in this report does not constitute an offer to sell or an invitation to buy shares in the company or an invitation or inducement to engage in any other investment activities. Past performance cannot be relied upon as a guide to future performance.





Financial Reports and Statements

BOARD'S REPORT

The Members,

Vikas EcoTech Limited

Your Directors have pleasure in presenting the 32nd Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31st March, 2017.

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

- The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- 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
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

2. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31st, 2017 is summarized below:

(₹ in Lac)

Particulars	2016-2017	2015-2016
Net Sales/Income from Business Operations	37,136.01	30,715.20
Other Income	166.93	483.09
Total Income	37,302.94	31,198.29
Gross Expenditure	30,377.23	25,818.12
Less Interest	1,300.80	1,133.53
Profit before Depreciation	5,624.90	4,246.64
Less Depreciation	426.67	337.07
Profit after depreciation and Interest/Net Profit Before Tax	3,566.20	3,925.68
Less Current Tax	1,450.00	1,324.36
Less Previous year adjustment of Income Tax	0.00	38.46
Less Deferred Tax	(200.82)	(17.83)
Mat Credit Availed	0.00	27.24
Net Profit after Tax	2,317.03	2,553.45
Add Share of Profit from Partnership firm/Minority Interest	0.00	0.00
Profit for the Period	2,317.03	2,553.45
Less Proposed Dividend	139.95	127.11
Less Provision for Dividend Distribution Tax	29.28	25.87
Net Profit after dividend and Tax	2,147.80	2,400.47
Amount transferred to General Reserve	162.19	178.73
Profits carried to Balance Sheet	1,985.61	2,221.74
Earnings per Share (Basic)	0.91	1.00
Earnings per Share (Diluted)	0.91	1.00

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2016-17.

DIVIDEND

Your Directors recommend payment of Equity Dividend of ₹ 0.05 per equity share of ₹ 1 each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as at the Record Date i.e. 21st September, 2017. The outflow on account of equity dividend and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to ₹ 1,69,23,411.

STATE OF AFFAIRS OF THE COMPANY

During fiscal 2017, your Company witnessed yet another strong year of performance despite the uncertain macro-environment, reflecting the inherent strength of our business portfolio and continued to perform well in domestic markets while expanding our international reach. FY2017 turned out to be an eventful year with the Government's decision to demonetise high value currency notes during November, 2016. However Indian economy proved to be resilient with GDP growth being marginally impacted despite the high magnitude of the event.

The Company has been expanding its operations both in terms of product base and customer base. We have been trying to capture new markets for our products. The operations of the Company are growing steadily and constant Uttar Pradesh rise in performance of the Company is evident from its promising financial prospects.

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

FUTURE OUTLOOK

Taking a step forward with the help of our R&D and new technology efforts, the Company is planning to introduce new products in the market. The Company's new manufacturing units at Kandla SEZ and at Dahej-II, Industrial Estate, District-Bharuch, Gujarat will cater to the markets in Western & Southern India and exports of speciality compounds and additives.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE AND POLICIES

In order to maximise shareholder value on a sustained basis, your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') and applicable provisions of Companies Act, 2013. In terms of Schedule V of Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached and forms an integral part of this Annual Report. Management Discussion and Analysis Report as per Listing Regulations are presented in separate sections forming part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy, Remuneration Policy. All these policies and codes have been uploaded on Company's corporate website www.vikasecotech.com.

Additionally, Directors Familiarisation Program and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website www.vikasecotech.com. In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limits, qualification/experience, areas of expertise and independence of individual.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the year under review, the Company undertook CSR initiative for cause of Education through the "Maharaja Agrasen Technical Society (Regd.)" and ₹35,30,120 were allocated and spent for the said cause of promoting education and specially skill education in the country are the areas Company is presently focusing.

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

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

On March 31, 2017, company's newly opened Polypropylene manufacturing plant was destroyed in a fire that engulfed this particular section of company's manufacturing facility in Shahjahanpur, Rajasthan. Due to fire ₹16 crores approx. value of stock, plant & machinery along with building was destroyed. All the plants, stocks, machinery were fully insured and the Company has successfully filed and lodged the claim with insurance company.

The Company has decided to demerge the High Volume Recycled compounds and Trading Division of the Company into Vikas Multicorp Limited.

No other material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

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

Your Board currently comprises of 9 Directors including 6 Independent Directors, 3 Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2016-17 your Board met 6 (six) times, details of which are available in the Corporate Governance Report annexed to this report.

Persuant to the members' approval at the 31st Annual General Meeting of the Company held on 30th September, 2016, Mr. Vikas Garg was appointed as Managing Director for 5 years and Mr. Vivek Garg was appointed as Whole-time Director for a period of 5 years.

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

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

During the period under review, Mr. Pankaj Kumar Gupta has resigned as CFO and Mrs. Anjavi Pandya was appointed as Chief Finance Officer of the Company w.e.f. 27th October, 2016.

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

BOARD EVALUATION

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

BOARD COMMITTEES

In compliance with the requirements of the Companies Act, 2013 and Listing Regulations, your Board had constituted various Board Committees including an 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 the regulatory requirements, have been uploaded on the website of the Company viz. www.vikasecotech.com. Details of the scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance section on the website.

AUDITORS

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

Secretarial Audit: During the year, Secretarial Audit was carried out by M/S. AAA & Associates, Company Secretaries in compliance with Section 204 of the Companies Act, 2013.

The report of M/S. KSMC & Associates, Chartered Accountants as Statutory Auditor and M/S. AAA & Associates, Company Secretaries as Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks. During the year under review the Statutory Auditors had not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134 (3) of the Act.

Cost Audit: Additionally, in compliance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended, M/S. Niraj Kumar Vishwakarma & Associates, Cost Accountants, was engaged to carry out Audit of Cost Records of the Company during Financial Year 2016-17. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2016-17 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of Annual General Meeting.

DISCLOSURES

- I. **Particulars of loans, guarantees and investments:-** During the financial year ended for the FY 2016-17, no Loans, Investment or guarantee u/s 186 of the Companies Act, 2013 were made by the Company.
- II. **Transactions with Related Parties-** All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. During FY 2016-17, there are no materially significant Related Party Transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee for its approval and statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions along with arms-length justification. During the year under review, there have been no materially significant related party transactions as defined under Section 188

of the Act and Regulations 23 the Listing Regulations and accordingly no transactions are required to be reported in Form AOC-2 as per Section 188 of the Companies Act, 2013.

- III. **Internal Financial Controls and their adequacy:** Your Company has approved internal financial controls and policies/procedures to be adopted by the Company for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically and at the end of each financial year.
- IV. **Deposits & Unclaimed Dividend:** Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013. During the year under review, the Company has not transferred any amount in Investor Education and Protection Fund.
- V. **Extract of Annual Return:** The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 is annexed to this report.
- VI. **Sexual Harassment:** The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review one complaint relating to sexual harassment was received by the Company and the same is under investigation.
- VII. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

CREDIT RATINGS

During the year under review Brickwork Ratings India Private Limited, A SEBI, RBI & NSIC registered credit rating agency in India, upgraded the company's rating to BBB+ from BBB- for Long-term bank facilities. The upgraded ratings showcase the company's improved and strong fundamentals across finance, operations and governance parameters. The company has been continuously working to ensure better performance in terms of financial parameters as also garnering higher market share.

Dun & Bradstreet, a US based information and business rating MNC has upgraded the company's rating to 5A2 from the previous 4A3, due to improved performance and business metrics.

Crisil, a S&P Global Company has rated the bank facilities of Company has assigned CRISIL BBB for company's Long-Term Borrowings & CRISIL A3+ for the Short-Term Borrowings with stable outlook.

The ratings indicate company's comfortable financial risk profile and are in line with Company's strategy of profitable growth and improvement in quality of its financial parameters through better operational performance. The rating reinforces company's practice for financial transparency and reporting.

The new ratings will help all stakeholders especially financial institutions appreciate the bettered credit quality of the company. In turn, the company going forward will be able to access debt and capital at more efficient terms for its various growth initiatives.

ENVIRONMENT, HEALTH AND SAFETY

The Company is continuously working towards laying a strong foundation and creating a sustainable future for our organization, our people and the society as a whole. Here, Environment Health and Safety (EHS) management is a key pillar of our sustainable growth agenda. We are committed to lead and excel in all aspects of environmental stewardship, safety, health and social responsibility, always striving to provide safe and healthy work environment to our employees and efficient, safe and environmentally responsible products to our customers. Your Company's primary focus in this regard is on product innovation, developing safe and efficient products which are environmentally friendly, i.e. energy-efficient, safer to use, using non-toxic/eco-friendly raw-materials, having long use life and those can be safely disposed and dismantled at the end of their use life. Further, we are actively working towards improving the EHS systems and practices within our operations. From environment aspect, our efforts are directed towards resource conservation and efficiency within our operations. We have initiated an energy conservation drive within our plants with the objective of monitoring our energy consumption at micro-level, benchmarking our performance and implementing solutions for continuous improvements.

RESEARCH & DEVELOPMENT

With the objective of enhancing in-house R&D capability, the Company is investing in world class infrastructure and test laboratories at all plant locations. The company has strong focus on in-house research & development and promotes culture for innovation. Company's CRI (Centre for Research and Innovation) team focuses on continuous and sustainable product innovations, working across the product lifecycle aspects including design, development, manufacturing and use phases. During the year, the R&D activities continued to focus on developing intelligent, eco-friendly and energy efficient products, as well as, extending the range of existing products.

LISTING OF SECURITIES

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

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION

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

The Company has professionally designed & maintained Power factor Panels.

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

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

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

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

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

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

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

TECHNOLOGY ABSORPTION

1) Efforts made in technology absorption & Benefits derived:

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

Research & Development (R & D)

- a) **Specific Areas in which R & D carried out by the Company:** During the year, the Company has inclined its efforts in the development of its production efficiency by improving its methods and technology.
- b) **Benefits derived as a result of above R & D:** Increase in market share.
- c) **Future Plan of Action/Expansions Plans:** As the relevant industry is gearing up to cater to the growing demand, Vikas EcoTech Limited, is all set to expand their business in a big way in the coming years.

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

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

None.

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

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

FOREIGN EXCHANGE, EARNINGS AND OUTGO

During the Financial Year 2016-17 the Company had foreign exchange earnings of ₹ 1,86,30,76,248 and outgo of ₹ 59,49,71,924.

Acknowledgement

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and all the employees with whose help, cooperation and hard work the Company is able to achieve the results. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

Sumer Chand Tayal
(Director)
DIN: 00255661

Vikas Garg
(Managing Director)
DIN: 00255413

Place: New Delhi
Date: August 11, 2017

ANNEXURE

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs.	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Women Empowerment and Sports. Besides these focus areas the Company shall also undertake any other CSR activities listed in schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on www.vikaseco-tech.com
The Composition of the CSR Committee.	The CSR Committee of the Board comprises of 3 Directors. Mr. Purushottam Dass Bhoot, Non-Executive Independent Director is the Chairman of the Committee while Mr. Sumer Chand Tayal, Non-Executive Independent Director & Mr. Vikas Garg, Managing Director are its Members.
3 Average net profit of the Company for last three financial years	₹ 16,40,89,605
Prescribed CSR expenditure (two percent of the average net profits for last three years)	₹ 32,81,792
Details of CSR spent during FY	₹ 35,30,120
Amount spent	₹ 35,30,120
Unspent amount	NIL
Areas where spent	As detailed in Annexure A

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or Activity Identified	Sector in which the project is covered	Project or Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through Implementing Agency
1.	Promotion of Education	Education	Local Area, Delhi/NCR	₹ 35,30,120	Direct Exp. ₹ 35,30,120	₹ 35,30,120	Through Implementing Agency

Note: CSR spend mentioned herein are amount contributed/remitted by the Company to NGO's or implementing agencies mentioned above, which may or may not be fully utilized toward purposes mentioned above.

The CSR committee hereby certifies that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sumer Chand Tayal
(Director)
DIN: 00255661

Vikas Garg
(Managing Director)
DIN: 00255413

Place: New Delhi
Date: August 11, 2017

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65999DL1984PLC019465
ii	Registration Date	30.11.1984
iii	Name of the Company	Vikas EcoTech Limited (Formerly Vikas GlobalOne Limited)
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Address : Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi - 110 026 Telephone : 091 011 - 4314 4444 Fax : 091 011 - 4314 4488 Email : investors@vikasecotech.com Website : www.vikasecotech.com
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Name : Alankit Assignments Limited Address : 4E/2, Alankit House, Jhandewalan Extension, New Delhi - 110 055 Telephone : 091 011 - 4254 1234 Email Address : info@alankit.com Website : www.alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Thermoplastic Rubber & Elastomer Compounds	20119	33.5

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
---------	---------------------------------	---------	--------------------------------------	------------------------	-----------------------

The Company has no subsidiary/associate as on 31st March, 2017.

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoter s										
(1) Indian										
a) Individual/HUF	7,37,44,305	-	7,37,44,305	29.01	6,95,12,805	-	6,95,12,805	24.83	-4.17	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	4,32,21,141	-	4,32,21,141	17.00	4,11,06,140	-	4,11,06,140	14.69	-2.31	
e) Banks/FI.	-	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)	11,69,65,446	-	11,69,65,446	46.01	11,06,18,945	-	11,06,18,945	39.52	-6.49	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	
b) Banks/FI	-	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIIs	5,09,178	-	5,09,178	0.20	9,06,300	-	9,06,300	0.32	0.12	
h) Foreign Venture Capital Funds	-	-	-	-	30,000	-	30,000	0.01	0.01	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1):	5,09,178	-	5,09,178	0.20	9,36,300	-	9,36,300	0.33	0.13	
2. Non-Institutions										
a) Bodies Corp.	7,58,77,444	2,67,500	7,61,44,944	29.95	2,91,47,928	32,500	2,91,80,428	10.43	-19.52	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1,66,84,323	25,16,887	1,92,01,210	7.55	7,31,64,750	25,09,387	7,56,74,137	27.04	19.48	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	4,14,08,897	-	4,14,08,897	16.29	6,00,43,954	-	6,00,43,954	21.45	5.16	
c) Others (specify)										
c-i) Non Resident Indian	-	-	-	-	32,71,061	1,12,500	33,83,561	1.21	1.21	
c-ii) NBFC Registered with RBI	10,000	-	10,000	0.00	62,350	-	62,350	0.02	0.02	
Sub-total (B)(2):	13,39,80,664	27,84,387	13,67,65,051	53.79	16,56,90,043	26,54,387	16,83,44,430	60.14	6.35	
Total Public Shareholding (B) = (B)(1) + (B)(2)	13,44,89,842	27,84,387	13,72,74,229	53.99	16,66,26,343	26,54,387	16,92,80,730	60.47	6.48	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	25,14,55,288	27,84,387	25,42,39,675	100.00	27,72,45,288	26,54,387	27,98,99,675	100.00	-	

(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Asha Garg	8,025	0.003	-	8,025	0.003	-	-
2	Baby Sukriti Garg	3,78,325	0.149	-	3,78,325	0.135	-	-
3	Ishwar Gupta	2,800	0.001	-	2,800	0.001	-	-
4	Seema Garg	32,17,175	1.265	-	11,02,175	0.394	-	-0.872
5	Vikas Garg	5,04,60,355	19.848	-	4,83,43,855	17.272	-	-2.576
6	Vikas Garg (Sukriti Welfare Trust)	44,56,550	1.753	-	44,56,550	1.592	-	-
7	Vikas Garg (HUF)	33,02,750	1.299	-	33,02,750	1.180	-	-
8	Vivek Garg	10,71,550	0.421	-	10,71,550	0.383	-	-
9	Usha Garg	22,33,000	0.878	-	22,33,000	0.798	-	-
10	Jai Kumar Garg	10,19,750	0.401	-	10,19,750	0.364	-	-
11	Jai Kumar Garg (HUF)	11,18,500	0.440	-	11,18,500	0.400	-	-
12	Nand Kishore Garg	61,32,775	2.412	-	61,32,775	2.191	-	-
13	Nand Kishore Garg (HUF)	3,37,750	0.133	-	3,37,750	0.121	-	-
14	Vaibhav Garg	5,000	0.002	-	5,000	0.002	-	-
15	Vikas Multicorp Ltd. (Formerly Moonlite Technochem Pvt. Ltd.)	4,32,21,141	17.000	-	4,11,06,140	14.686	-	-2.314
TOTAL		11,69,65,446	46.006	-	11,06,18,945	39.521	-	-6.485

* Company has made a Preferential allotment of 2,56,60,000 shares on 04.03.2017 and 16.03.2017

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

Sr. No.	Promoters Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrs. Asha Garg				
	At the beginning of the year	8,025	0.003		
	No Changes	---	---	8,025	0.003
	At the End of the year	8,025	0.003		
2	Baby Sukriti Garg				
	At the beginning of the year	3,78,325	0.135		
	No Changes	---	---	3,78,325	0.135
	At the End of the year	3,78,325	0.135		
3	Mr. Ishwar Gupta				
	At the beginning of the year	2,800	0.001		
	No Changes	---	---	2,800	0.001
	At the End of the year	2,800	0.001		
4	Mrs. Seema Garg				
	At the beginning of the year	32,17,175	1.149		
	Block deal held on 07.07.2016	-21,15,000	-0.756	11,02,175	0.394
	At the End of the year	11,02,175	0.394		
5	Mr. Vikas Garg				
	At the beginning of the year	5,04,60,355	18.028		
	Block deal held on 07.07.2016	-21,16,500	-0.756	4,83,43,855	17.272
	At the End of the year	4,83,43,855	17.272		

		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Vikas Garg (Sukriti Welfare Trust)				
	At the beginning of the year	44,56,550	1.592		
	No Changes	---	---	44,56,550	1.592
	At the End of the year	44,56,550	1.592		
7	Vikas Garg (HUF)				
	At the beginning of the year	33,02,750	1.180		
	No Changes	---	---	33,02,750	1.180
	At the End of the year	33,02,750	1.180		
8	Mr. Vivek Garg				
	At the beginning of the year	10,71,550	0.383		
	No Changes	---	---	10,71,550	0.383
	At the End of the year	10,71,550	0.383		
9	Mrs. Usha Garg				
	At the beginning of the year	22,33,000	0.798		
	No Changes	---	---	22,33,000	0.798
	At the End of the year	22,33,000	0.798		
10	Mr. Jai Kumar Garg				
	At the beginning of the year	10,19,750	0.364		
	No Changes	---	---	10,19,750	0.364
	At the End of the year	10,19,750	0.364		
11	Jai Kumar Garg (HUF)				
	At the beginning of the year	11,18,500	0.400		
	No Changes	---	---	11,18,500	0.400
	At the End of the year	11,18,500	0.400		
12	Mr. Nand Kishore Garg				
	At the beginning of the year	61,32,775	2.191		
	No Changes	---	---	61,32,775	2.191
	At the End of the year	61,32,775	2.191		
13	Nand Kishore Garg (HUF)				
	At the beginning of the year	3,37,750	0.121		
	No Changes	---	---	3,37,750	0.121
	At the End of the year	3,37,750	0.121		
14	Mr. Vaibhav Garg				
	At the beginning of the year	5,000	0.002		
	No Changes	---	---	5,000	0.002
	At the End of the year	5,000	0.002		
15	Vikas Multicorp Ltd. (Formerly Moonlite Technochem Pvt. Ltd.)				
	At the beginning of the year	4,32,21,141	15.442		
	Block deal held on 07.07.2016	-21,15,001	-0.756	4,11,06,140	14.686
	At the End of the year	4,11,06,140	14.686		

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	JAYANT S.CHHEDA HUF				
	At the beginning of the year	NIL	NIL		
	Shares received as Preferential allotment on 04.03.2017	10,000,000	0.357	10,000,000	0.357
	Shares received as Preferential allotment on 16.03.2017	10,000,000	0.357	20,000,000	0.715
	At the End of the year (or on the date of separation, if separated during the year)	20,000,000	0.715		
2	ANIL D GALA				
	At the beginning of the year	NIL	0.000		
	Transactions (Purchase/sale) from 01.04.2016 upto 31.03.2017	4,900,000	0.175	4,900,000	0.175
	At the End of the year (or on the date of separation, if separated during the year)	4,900,000	0.175		
3	MADHAVAN KUNNIYUR				
	At the beginning of the year	NIL	0.000		
	Transactions (Purchase/sale) from 01.04.2016 upto 31.03.2017	3,588,220	0.128	3,588,220	0.128
	At the End of the year (or on the date of separation, if separated during the year)	3,588,220	0.128		
4	PRIYA MITTAL				
	At the beginning of the year	NIL	NIL		
	Shares received as Preferential allotment on 16.03.2017	3,200,000	0.114	3,200,000	0.114
	At the End of the year (or on the date of separation, if separated during the year)	3,200,000	0.114		
5	JAYANTILAL S. CHHEDA				
	At the beginning of the year	NIL	0.000		
	Transactions (Purchase/sale) from 08.07.2016 upto 15.07.2016	2,116,500	0.076	2,116,500	0.076
	Transactions (Purchase/sale) from 22.07.2016 upto 27.07.2016	1,080,510	0.039	3,197,010	0.114
	At the End of the year (or on the date of separation, if separated during the year)	3,197,010	0.114		
6	SURFACE FINANCE PRIVATE LIMITED				
	At the beginning of the year	2,424,558	0.087		
	No Transactions	–	–	2,424,558	0.087
	At the End of the year (or on the date of separation, if separated during the year)	2,424,558	0.087		
7	HARSHA GOYAL				
	At the beginning of the year	1,935,000	0.069		
	No Transactions	–	–	1,935,000	0.069
	At the End of the year (or on the date of separation, if separated during the year)	1,935,000	0.069		
8	GLOBE CAPITAL MARKET LIMITED				
	At the beginning of the year	9,811,503	0.351		
	Transactions (Purchase/sale) from 01.04.2016 upto 22.04.2016	-1,959,521	-0.070	7,851,982	0.281

	Transactions (Purchase/sale) from 22.04.2016 upto 29.04.2016	2,828,100	0.101	10,680,082	0.382
	Transactions (Purchase/sale) from 29.04.2016 upto 06.05.2016	-3,408,483	-0.122	7,271,599	0.260
	Transactions (Purchase/sale) from 06.05.2016 upto 13.05.2016	1,497,405	0.053	8,769,004	0.313
	Transactions (Purchase/sale) from 29.04.2016 upto 20.05.2016	-271,946	-0.010	8,497,058	0.304
	Transactions (Purchase/sale) from 20.05.2016 upto 27.05.2016	97,511	0.003	8,594,569	0.307
	Transactions (Purchase/sale) from 27.05.2016 upto 03.06.2016	254,237	0.009	8,848,806	0.316
	Transactions (Purchase/sale) from 03.06.2016 upto 10.06.2016	-647,231	-0.023	8,201,575	0.293
	Transactions (Purchase/sale) from 17.06.2016 upto 24.06.2016	-1,014,821	-0.036	7,186,754	0.257
	Transactions (Purchase/sale) from 24.06.2016 upto 08.07.2016	409,502	0.015	7,596,256	0.271
	Transactions (Purchase/sale) from 08.07.2016 upto 15.07.2016	-119,319	-0.004	7,476,937	0.267
	Transactions (Purchase/sale) from 15.07.2016 upto 22.07.2016	-700,891	-0.025	6,776,046	0.242
	Transactions (Purchase/sale) from 22.07.2016 upto 29.07.2016	874,152	0.031	7,650,198	0.273
	Transactions (Purchase/sale) from 29.07.2017 upto 31.03.2017	-5,779,099	-0.206	1,871,099	0.067
	At the End of the year (or on the date of separation, if separated during the year)	1,871,099	0.067		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	LUKH RAM GOYAL				
	At the beginning of the year	1,664,308	0.059		
	No Transactions	–	–	1,664,308	0.059
	At the End of the year (or on the date of separation, if separated during the year)	1,664,308	0.059		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	TRINITY FINSEC PRIVATE LTD				
	At the beginning of the year	NIL	0.000		
	Transactions (Purchase/sale) from 01.04.2016 upto 31.03.2017	1,592,230	0.057	1,592,230	0.057
	At the End of the year (or on the date of separation, if separated during the year)	1,592,230	0.057		

(V) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors & KMP's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Vikas Garg (Managing Director)				
	At the beginning of the year	5,04,60,355	18.028		
	Block deal held on 07.07.2016.	-21,16,500	-0.756	4,83,43,855	17.272
	At the End of the year	4,83,43,855	17.272		
2	Mr. Vivek Garg (Whole-Time Director)				
	At the beginning of the year	10,71,550	0.383		
	No Changes	---	---	10,71,550	0.383
	At the End of the year	10,71,550	0.383		
3	Mr. Ashutosh Kumar Verma (CEO & Whole-Time Director)				
	At the beginning of the year	75,000	0.027		
	No Changes	---	---	75,000	0.027
	At the End of the year	75,000	0.027		
4	Mr. Purushottam Dass Bhoot (Director)				
	At the beginning of the year	40,000	0.014		
	No Changes	---	---	40,000	0.014
	At the End of the year	40,000	0.014		
5	Mr. Sumer Chand Tayal (Director)				
	At the beginning of the year	61,150	0.022		
	Transactions (Purchase/sale) from 01.04.2016 upto 22.04.2016	-3,000	-0.001	58,150	0.021
	Transactions (Purchase/sale) from 22.04.2016 upto 29.04.2016	-500	0.000	57,650	0.021
	Transactions (Purchase/sale) from 29.04.2016 upto 13.05.2016	-500	0.000	57,150	0.020
	Transactions (Purchase/sale) from 13.05.2016 upto 20.05.2016	-1,000	0.000	56,150	0.020
	Transactions (Purchase/sale) from 20.05.2016 upto 27.05.2016	600	0.000	56,750	0.020
	Transactions (Purchase/sale) from 03.06.2016 upto 10.06.2016	-400	0.000	56,350	0.020
	Transactions (Purchase/sale) from 15.07.2016 upto 22.07.2016	-1,500	-0.001	54,850	0.020
	Transactions (Purchase/sale) from 22.07.2016 upto 29.07.2016	-1,500	-0.001	53,350	0.019
	Transactions (Purchase/sale) from 29.07.2016 upto 31.03.2017	-29,500	-0.011	23,850	0.009
	At the End of the year	23,850	0.009		
6	Mr. Pradip Kumar Banerji (Director)				
	At the beginning of the year	1,87,500	0.067		
	Sold in the Open Market on 24.10.2016.	-2,500	-0.001	1,85,000	0.066
	Sold in the Open Market on 25.10.2016.	-2,400	-0.001	1,82,600	0.065
	Sold in the Open Market on 26.10.2016.	-2,300	-0.001	1,80,300	0.064
	Sold in the Open Market on 28.10.2016.	-2,400	-0.001	1,77,900	0.064
	Sold in the Open Market on 01.11.2016	-2,600	-0.001	1,75,300	0.063
	Sold in the Open Market on 20.03.2017	-2,400	-0.001	1,72,900	0.062
	Sold in the Open Market on 22.03.2017	-2,400	-0.001	1,70,500	0.061
	Sold in the Open Market on 23.03.2017	-2,300	-0.001	1,68,200	0.060
	Sold in the Open Market on 24.03.2017	-2,200	-0.001	1,66,000	0.059
	Sold in the Open Market on 28.03.2017	-2,300	-0.001	1,63,700	0.058
	Sold in the Open Market on 27.03.2017	-1,200	0.000	1,62,500	0.058
	At the End of the year	1,62,500	0.058		

7	Mr. Jagdish Capoor (Director)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,87,500	0.067		
	No Changes	---	---	1,87,500	0.067
	At the End of the year	1,87,500	0.067		
8	Mr. Manoj Singhal (Director)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL		
	No Changes	---	---		
	At the End of the year	NIL	NIL		
9	Mrs. Vibha Mahajan (Director)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL		
	No Changes	---	---		
	At the End of the year	NIL	NIL		
10	Mr. Siddharth Agrawal (Company Secretary, Appointed on 23.05.2016)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL		
	No Changes	---	---		
	At the End of the year	NIL	NIL		
11	Mr. Pankaj Kumar Gupta (Chief Financial Officer)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL		
	No Changes	---	---		
	At the End of the year	NIL	NIL		
12	Mrs. Anjavi Pandya (Chief Financial Officer, Appointed on 27.10.2016)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL		
	No Changes	---	---		
	At the End of the year	NIL	NIL		

INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,12,23,411	NIL	NIL	12,12,23,411
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,12,23,411	NIL	NIL	12,12,23,411
Change in Indebtedness during the financial year				
* Addition	1,45,40,000	-	-	1,45,40,000
* Reduction	2,89,88,965	-	-	2,89,88,965
Net Change	-1,44,48,965	NIL	NIL	-1,44,48,965
Indebtedness at the end of the financial year				
i) Principal Amount	10,67,74,446	NIL	NIL	10,67,74,446
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,67,74,446	NIL	NIL	10,67,74,446

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Vikas Garg (MD)	Mr. Vivek Garg (WTD)	Mr. Ashutosh Kumar Verma (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,80,000	NIL	20,30,000	28,10,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	7,80,000	NIL	20,30,000	28,10,000
	Ceiling as per the Act				

Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Jagdish Capoor (Independent Director)	Mr. Sumer Chand Tayal (Independent Director)	Mr. Pradip Kumar Banerji (Independent Director)	Mr. P D Bhoot (Independent Director)	
1	Independent Directors					
	Fee for attending board committee meetings	40,000	1,00,000	20,000	1,20,000	2,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	40,000	1,00,000	20,000	1,20,000	2,80,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Pankaj Kumar Gupta, Chief Financial Officer	Mrs. Anjavi Pandya, Chief Financial Officer	Mr. Siddharth Agrawal, Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,24,180	8,10,000	3,50,703	14,84,883
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	3,24,180	8,10,000	3,50,703	14,84,883

Mr. Pankaj Kumar Gupta has resigned on 27.10.2016.

Mrs. Anjavi Pandya has appointed as CFO on 27.10.2016.

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

For and on behalf of Board of Directors

Sumer Chand Tayal
(Director)
DIN: 00255661

Vikas Garg
(Managing Director)
DIN: 00255413

Place: New Delhi
Date: August 11, 2017

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

This Report, therefore, states the compliance status as per requirements of Companies Act, 2013 and SEBI Listing Regulations, 2015.

Given below are the Company's corporate governance policies and practices for 2016-17. As will be seen, Vikas EcoTech's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws, including SEBI Listing Regulations, 2015.

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2017 is presented below:

1) **A brief statement on the company's philosophy on code of governance:-**

The convergence of governance practices brings to the fore the critical role played by the Board to ensure governance framework enjoins higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interests of all stakeholders. Corporate Governance, which assumes great deal of importance at Vikas EcoTech Limited (VEL), is intended to ensure consistent value creation for all its stakeholders. VEL 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. VEL believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations.

Corporate Governance and Ethics

POLICIES

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

WHISTLE BLOWER & VIGIL MECHANISM POLICY

As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization.

CODE OF CONDUCT

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management, and all the Directors and senior functionaries as defined in the said Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company www.vikasecotech.com. Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors (including Code of Conduct) as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in Listing Regulations forms part of the appointment letters issued to Independent Directors.

RELATED PARTY TRANSACTION POLICY

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.vikasecotech.com

POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Mr Siddharth Agrawal, Compliance Officer & Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy and performance of individual channels/profit centres is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Policy for determining Material Subsidiary, Remuneration Policy, Material Events Determination and Disclosure Policy, Document Preservation Policy, Corporate Social Responsibility Policy. These policies can be viewed on Companies Website at www.vikasecotech.com

2) **BOARD OF DIRECTORS**

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders.

VEL has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of Listing Regulations. Independent Directors of the Company

provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

a) Composition of the Board

Category of Directors	No. of Directors	Percentage to total no. of Directors
Executive Director	3	33.33
Non-Executive Independent Directors	6	66.67
Total	9	100.00

During the financial year under review, 6 (six) meetings of the Board were held on 23rd May, 2016, 8th Aug, 2016, 27th October, 2016, 9th November, 2016, 16th January, 2017 and 13th Feb, 2017. The annual calendar of meetings for consideration of quarterly financial results is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2016-17 and also their other Directorships/Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at 31st March, 2017 are as under:

Name of Director	Board Meeting	Attendance at AGM	No of Directorship in other public Companies as		No of Committee positions held in other public Companies as		Shareholding as at 31 st March, 2017
			Member	Chairman	Member	Chairman	
Jagdish Capoor	2	NO	3	0	2	2	1,87,500
Pradip Kumar Banerji	1	NO	1	0	3	0	1,62,500
Vikas Garg	6	YES	1	0	4	1	4,83,43,855
Vivek Garg	6	YES	0	0	2	0	10,71,550
Sumer Chand Tayal	5	YES	0	0	4	3	23,850
Vibha Mahajan	4	NO	0	0	0	0	0
Ashutosh Kumar Verma	6	YES	0	0	1	0	0
Purushottam Dass Bhoot	6	YES	1	1	2	0	75,000
Manoj Singhal	5	NO	0	0	2	2	40,000

None of the directors of the Company are related inter-se except for Mr. Vikas Garg, Managing Director and Mr. Vivek Garg, Whole-time Director who is brother of Mr. Vikas Garg.

BOARD PROCEDURE

The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the Registered and Corporate office of the Company at Delhi. The Company Secretary in consultation with the Chairman, and the Managing Director finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board meetings to make presentations on relevant issues or provide necessary insights into the operations/working of the Company and corporate strategies.

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

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during FY 2016-17 along with particulars of attendance of the Members at such Committee Meeting(s) are detailed herein:

	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Sumer Chand Tayal	4	4	1	1
Purushottam Dass Bhoot	4	4	-	1
Manoj Singhal	4	4	-	-
Vikas Garg	-	-	1	1
Vivek Garg	-	-	1	-

In compliance with the requirements of Regulation 25 of the Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on August 8, 2016 to review performance of the Chairman, Managing Director and other Non-Independent Directors, evaluate performance of the Board and review flow of information between the management and the Board.

3) AUDIT COMMITTEE

a) Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

b) Composition, Name of Members and Chairperson:

The Audit Committee comprises 3 (Three) Non-Executive Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Statutory Auditors and Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2017, is given below:

Name of Member	Category	Designation	Meetings Held	Meeting Attended
Mr. Sumer Chand Tayal	Non-Executive Independent Director	Chairman	4	4
Mr. Manoj Singhal	Non-Executive Independent Director	Member	4	4
Mr. Purushottam Dass Bhoot	Non-Executive Independent Director	Member	4	4

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Director (Finance) or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Monitoring the end use of funds raised through public offers and related matters.
21. Carrying out any other function incidental or ancillary thereto.

4) NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference:

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 Whole time Directors as well as the nomination and appointment of Directors. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Composition, Name of Members and Chairperson:

The Nomination and Remuneration Committee comprises 3 (Three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on 31st March, 2017, is given below:

Name of Member	Category	Designation	Meetings Held	Meeting Attended
Mr. Sumer Chand Tayal	Non-Executive Independent Director	Chairman	4	4
Mr. Manoj Singhal	Non-Executive Independent Director	Member	4	4
Mr. Purushottam Dass Bhoot	Non-Executive Independent Director	Member	4	4

c) Performance evaluation criteria for Independent Directors:

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 behaviour and judgment, maintenance of confidentiality and contribution to corporate governance practices within the Company.

REMUNERATION POLICY

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement/employment shall be competitive enough to ensure that the Company is in position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

REMUNERATION PAYABLE TO EXECUTIVE DIRECTORS

Name of Directors	Amount
Vikas Garg	7,80,000
Ashutosh Kumar Verma	20,30,000

Remuneration payable to Non-Executive Directors

During financial year 2016-17 Non-Executive Directors were paid sitting fee of ₹ 20,000 for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee.

Details of the Sitting fees paid to the Non-Executive Directors of the Company for Financial year 2016-2017 are as under:

Name of Directors	Amount
Jagdish Capoor	40,000
Purushottam Dass Bhoot	1,20,000
Sumer Chand Tayal	1,00,000
Pradip Banerji	20,000

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationship or transactions with the Company or its directors, senior management, subsidiary or associate, other than in the normal course of business.

5) STAKEHOLDER RELATIONSHIP COMMITTEE

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of member correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/Grievance Redressal Committee.

a) Name of Non-Executive Director heading the Committee:

Shri Sumer Chand Tayal, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises 3 (Three) members of which, One is Non-Executive Director, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship Committee. The Composition of Stakeholders Relationship Committee as on 31st March, 2017, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Sumer Chand Tayal	Chairman	1	1
Vikas Garg	Member	1	1
Vivek Garg	Member	1	1

b) Name and designation of Compliance Officer:

Mr. Siddharth Agrawal Company Secretary and Manager - Corporate affairs are the Compliance Officer of the Company.

c) Number of shareholders' complaints received so far:

The number of shareholder grievances received and resolved during financial year 2016-17 is given below:

Nature of Grievance	Received	Resolved	Max. period of Reply (in days)
Non-receipt of dividend	3	3	10
Annual Report	6	6	10
Revalidation of Dividend	1	1	10
Total	10	10	

d) Number not solved to the satisfaction of shareholders:

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

e) Number of pending complaints:

As at 31st March, 2017, no complaint was pending unresolved.

Besides the above, the Board of Directors has CSR Committee, an Executive Committee, Compensation Committee, Equity Warrant Committee. In respect of these Committees brief details of the role, terms of reference, composition and no. of meetings held etc. are given below:

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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. 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 details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report. The Corporate Social Responsibility Committee comprises 3 (Three) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2017, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Purushottam Dass Bhoot	Chairman	1	1
Sumer Chand Tayal	Member	1	1
Vikas Garg	Member	1	1

7) EXECUTIVE COMMITTEE

The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises 3 (Three) Executive Directors. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31st March, 2017, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Vikas Garg	Chairman	10	10
Vivek Garg	Member	10	10
Ashutosh Kumar Verma	Member	10	10

8) COMPENSATION COMMITTEE

The role of the Compensation Committee is to expeditiously administrate ESOPs granted to various employees of the Company. The Committee comprises 3 (Three) Directors. The Company Secretary of the Company acts as Secretary to the Committee. The Composition of Compensation Committee as on 31st March, 2017, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Manoj Singhal	Chairman	NIL	NIL
Sumer Chand Tayal	Member	NIL	NIL
Vikas Garg	Member	NIL	NIL

9) EQUITY WARRANT COMMITTEE

The Equity Warrant Committee is authorized to convert the convertible warrants, issue and allot resultant equity shares, subject to such conditions or modifications that may be imposed, required or suggested by the Securities & Exchange Board of India (the SEBI), Stock Exchange(s) or other authorities and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient. The Composition of Equity Warrant Committee as on 31st March, 2017, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Sumer Chand Tayal	Chairman	2	2
Manoj Singhal	Member	2	2
Purushottam Dass Bhoot	Member	2	2

10) SUBSIDIARY COMPANIES MONITORING FRAMEWORK

The Company does not have any subsidiary as on 31st March, 2017

11) GENERAL BODY MEETINGS**a) Location and time, where last three Annual/Extra-Ordinary General Meetings held:**

Financial year Date	Time	Venue	Special Resolution Passed
Monday, 29 th September, 2014	11:30 a.m.	Haryana Maitri Bhawan, Pitampura, New Delhi	NONE
Saturday, 1 st November, 2014	11.30 a.m.	Haryana Maitri Bhawan, Pitampura, New Delhi	<ul style="list-style-type: none"> Alteration of MOA and AOA as per New Companies Act, 2013 Increase in Authorised Share Capital Issue of Bonus Shares
Wednesday, 30 th September, 2015	11.30 a.m.	Haryana Maitri Bhawan, Pitampura, New Delhi	<ul style="list-style-type: none"> Increase of Borrowing Powers of Board To make investment in Foreign Company Change of Name of Company from Vikas GlobalOne Limited to Vikas EcoTech Limited. Appointment of Whole-time Director of the Company
Friday, 30 th September, 2016	11.30 a.m.	Haryana Maitri Bhawan, Pitampura, New Delhi	<ul style="list-style-type: none"> Rescind the Employee Stock Option Scheme, 2011 Appointment of Vikas Garg as Managing Director Appointment of Vivek Garg as Whole-time Director
Wednesday, 23 rd November, 2016	11.00 a.m.	5/2 Agarwal Bhawan Jaidev Park, East Punjabi Bagh, New Delhi - 110 026	<ul style="list-style-type: none"> Alteration of MOA in relation to Increase in Authorised Share Capital Issue of 2,00,00,000 Equity shares on preferential basis
Wednesday, 15 th February, 2017	11.00 a.m.	5/2 Agarwal Bhawan Jaidev Park, East Punjabi Bagh, New Delhi - 110 026	<ul style="list-style-type: none"> Issue of 2,56,60,000 Equity shares on preferential basis

Special Resolution passed last year through postal ballot – details of voting pattern and the procedure thereof

The Board of Directors had appointed Mr. Anil Kumar Popli, Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the National Securities Depository Limited (NSDL) to enable its members to cast their votes electronically pursuant to Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. Anil Kumar Popli, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (5 P.M.) on 25th November, 2016 and that he had submitted his Report thereon to the Chairman of the Company. Based on the Scrutinizer's Report, Shri Vikas Garg, Managing Director, declared the result of the voting exercise on 26th November, 2016 as follows:

1. To authorize the Board to create charge on Company's property

Particulars	Physical	Electronic	Total
Total postal ballot forms received	0	48,98,094	48,98,094
Total number of votes casted	0	48,98,094	48,98,094
Less: Invalid no. of votes casted	0	0	0
Valid no. of votes casted (Net)	0	48,98,094	48,98,094
Total no. of votes with assent for the Resolution	0	48,98,094	48,98,094
Total no. of votes with dissent for the Resolution	0	0	0

All the above resolutions were passed with requisite majority.

DISCLOSURES

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 Vigilance Officer and/or Audit Committee.

There are no materially significant related party transactions between the Company and its Promoters, Directors or key management personnel or their relatives having any potential conflict with interests of the Company at large.

Transactions with related parties are disclosed elsewhere in the Annual Report.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of the Listing Regulations and the status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

Audit Qualification - The financial statements of the Company are unqualified.

12) MEANS OF COMMUNICATION

a) Quarterly Results:

The Company publishes limited reviewed un-audited standalone financial results on a 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 quarterly/half-yearly/annual financial results are published in 'Financial Chronicle' and 'Awam-E-Hind'.

c) Website, where Displayed:

The financial results and the official news releases are also placed on the Company's website at www.vikasecotech.com in the 'Investors' section.

d) Official news releases:

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

GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date : Thursday, 28 th September, 2017 Time : 11.30 a.m. Venue : 5/2, Agarwal Bhawan, Jaidev Park, East Punjabi Bagh New Delhi - 110 026
Financial Year	2016-17
Record Date	21 st September, 2017
Dividend Payment Date	On or after 03 rd October, 2017
Registered office	Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi - 110 026 Tel: 091 011 - 4314 4444 Website: www.vikasecotech.com
CIN	L65999DL1984PLC019465
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 007 Scrip Code - 530961 National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Trading Symbol – VIKASECO The listing fees for the financial year 2016-17 have been paid by the Company within the stipulated time.
Stock Code	BSE (530961) NSE (VIKASECO)
ISIN	INE806A01020
Registrar and Share Transfer Agent	Alankit Assignments Limited 4E/2, Jhandewalan Extension, New Delhi - 110 055 Tel. No. 091 011 - 4254 1234, 2354 1234 Email; info@alankit.com , rta@alankit.com Website: www.alankit.com

DIVIDEND

As required under the Listing Regulations, the Board of Directors have recommended payment of Equity Dividend @ ₹ 0.05 per equity share on paid up value of ₹ 1 per share i.e. 5% on the paid up equity capital of the Company and such Equity Dividend shall be payable upon approval by the Members of the Company on the outstanding capital as at the Record Date.

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before 21st September, 2017 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on 21st September, 2017.

Final Dividend for the Financial Year ended 31st March, 2010, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund on completion of seven years in October 2017. Members who have not en-cashed their dividend warrant(s) issued by the Company for any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company will be arranging to transfer the corresponding shares to IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders. The concerned shareholders, however, may claim the dividend and shares from IEPF.

CHANGE OF ADDRESS

Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share in dematerialized form are requested to submit their PAN, notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address/dividend mandate, if any, to the Company/Registrar & Share Transfer Agent.

SHARE TRANSFER SYSTEM

Equity Shares sent for physical transfer and/or for dematerialization are generally registered and returned within a period of 7 days from the date of receipt of completed and validly executed documents.

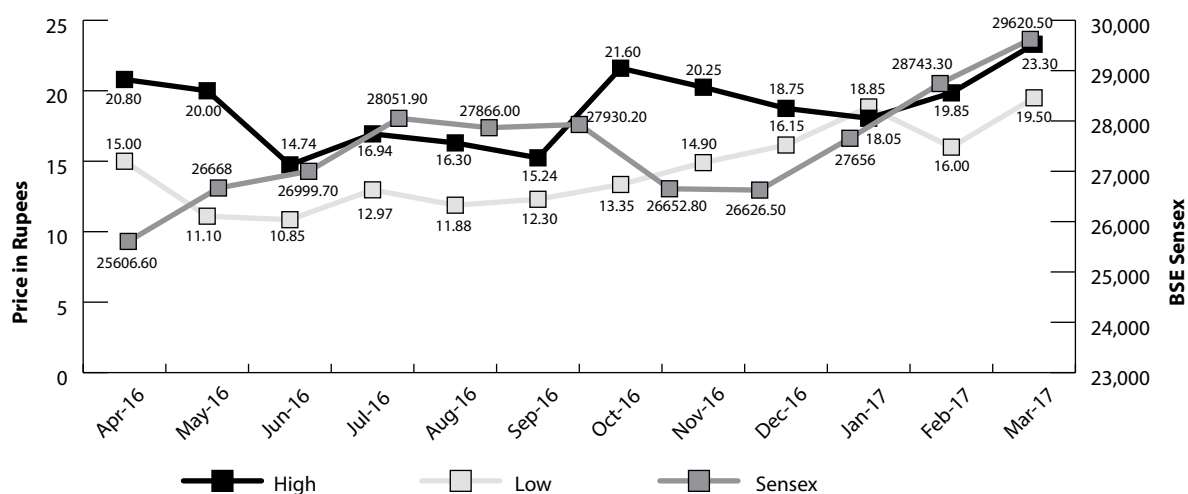
DEMATERIALIZATION OF SHARES & LIQUIDITY

To facilitate trading of Equity and Preference shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on 31st March, 2017, 98.96% of the equity shares of the Company are in the dematerialized form and the balance 1.04% in physical form. Entire equity shareholding of the promoters in the Company is held in dematerialized form.

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

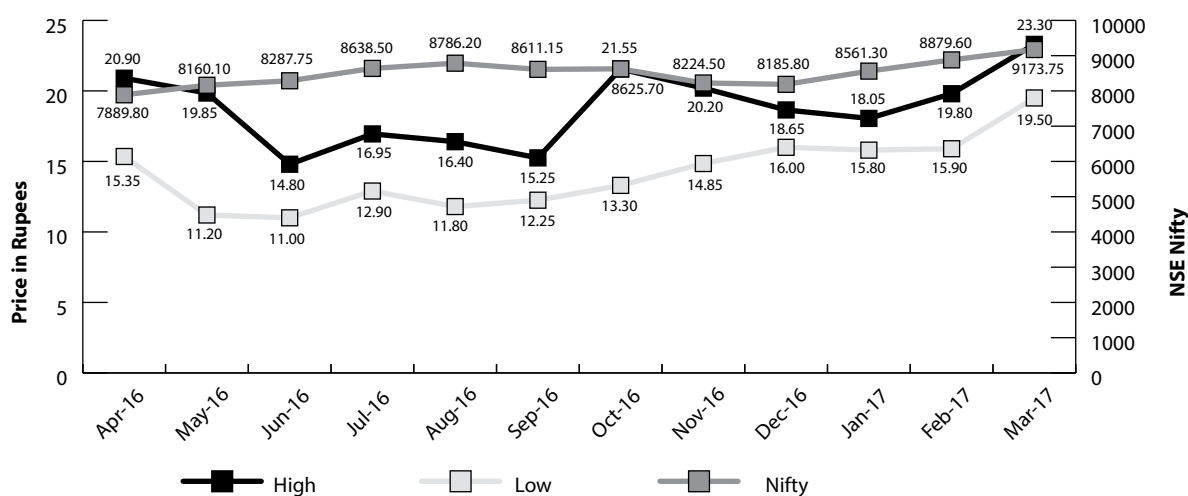
Price details monthly High-Low as compared with broad based BSE Index.

Month	Open	High	Low	Close	BSE						
					No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr-16	15.00	20.80	15.00	18.30	1,09,72,260	12,529	20,60,85,414	50,80,983	46.31	5.80	3.30
May-16	18.65	20.00	11.10	11.15	1,59,47,694	19,815	27,55,36,101	90,84,974	56.97	8.90	-7.50
Jun-16	10.85	14.74	10.85	13.63	89,38,335	14,251	11,94,33,278	55,14,939	61.70	3.89	2.78
Jul-16	14.20	16.94	12.97	14.85	1,82,99,949	31,456	26,85,30,140	96,95,561	52.98	3.97	0.65
Aug-16	15.40	16.30	11.88	14.57	2,54,48,366	41,095	35,23,47,657	1,26,60,541	49.75	4.42	-0.83
Sep-16	14.50	15.24	12.30	13.30	2,18,94,885	36,366	30,36,50,473	1,13,98,832	52.06	2.94	-1.20
Oct-16	13.50	21.60	13.35	19.96	3,69,20,245	62,105	65,56,03,131	1,69,01,666	45.78	8.25	6.46
Nov-16	20.05	20.25	14.90	18.50	1,54,66,636	34,908	27,28,12,319	56,76,509	36.70	5.35	-1.55
Dec-16	18.45	18.75	16.15	16.50	85,43,814	14,210	14,92,25,406	58,05,333	67.95	2.60	-1.95
Jan-17	16.55	18.05	15.85	16.40	1,50,70,663	24,779	25,29,73,759	83,08,502	55.13	2.20	-0.15
Feb-17	16.20	19.85	16.00	19.30	1,42,60,302	26,580	25,66,12,686	63,03,382	44.20	3.85	3.10
Mar-17	19.50	23.30	19.50	20.85	2,48,80,883	51,879	53,26,66,799	1,06,52,776	42.82	3.80	1.35



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

Month	NSE				Volume	NSE Index
	Open	High Price	Low Price	Close		
Apr-16	15.45	20.90	15.35	18.20	6,63,46,501	7,489.80
May-16	18.20	19.85	11.20	11.20	5,50,61,535	8,160.10
Jun-16	11.35	14.80	11.00	13.70	3,94,93,912	8,287.75
Jul-16	14.00	16.95	12.90	14.80	9,12,52,978	8,638.50
Aug-16	15.50	16.40	11.80	14.65	12,75,21,106	8,786.20
Sep-16	14.50	15.25	12.25	13.30	7,84,25,266	8,611.15
Oct-16	13.30	21.55	13.30	19.90	12,25,50,777	8,625.70
Nov-16	20.15	20.20	14.85	18.50	4,77,77,282	8,224.50
Dec-16	18.50	18.65	16.00	16.45	2,06,41,951	8,185.80
Jan-17	16.50	18.05	15.80	16.35	5,77,40,704	8,561.30
Feb-17	16.50	19.80	15.90	19.30	5,71,05,856	8,879.60
Mar-17	19.50	23.30	19.50	20.85	8,84,94,548	9,173.75

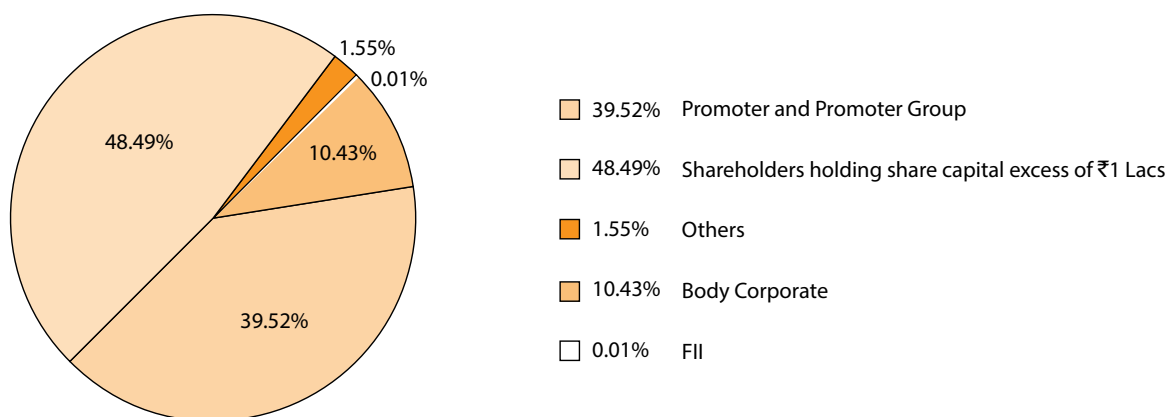


b) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof: Not Applicable

c) Distribution of Shareholding as on 31st March 2017

Category of Share	Number of shareholders	Total Number of Shares	Percentage	Category	Holders	Shares	% of Total Shares
Promoter and Promoter Group	15	11,06,18,945	39.52	1-100	3391	1,99,316	0.071
Body Corporate	730	2,91,80,428	10.43	101-500	6874	24,11,554	0.862
FII	1	30,000	0.01	501-1,000	4487	40,73,349	1.455
Shareholders holding share capital in excess of ₹ 1 Lacs	22,792	13,57,18,091	48.49	1,001-5,000	6064	1,62,80,729	5.817
Others	469	43,52,211	1.55	5,001-10,000	1446	1,13,38,245	4.051
				10,001-20,000	804	1,20,08,691	4.290
				20,001-30,000	306	77,78,604	2.779
				30,001-40,000	160	56,63,406	2.023
				40,001-50,000	123	57,92,418	2.069
				50,001-1,00,000	153	1,12,54,589	4.021
				1,00,001-5,00,000	150	3,03,92,481	10.858
				5,00,001-Above	41	17,27,06,293	61.703
	24,007	27,98,99,675	100				

Shareholding as on 31st March, 2017



d) 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 31st March, 2017.

CEO'S/CFO'S CERTIFICATE

We, Ashutosh Kumar Verma, Whole-time Director and CEO and Anjavi Pandya, CFO 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 31st March, 2017 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**

New Delhi,
August 11, 2017

(Ashutosh Kumar Verma)
Chief Executive Officer

(Anjavi Pandya)
Chief Financial Officer

AUDITOR'S CERTIFICATE

To,

The Members of Vikas EcoTech Limited

We have examined the compliance of conditions of corporate governance by Vikas EcoTech Limited, for the year ended on 31st March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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.

For **AAA & ASSOCIATES**
Company Secretaries

Place: Delhi
Date: August 11, 2017

Sd/-

(A.K.Popli)
Partner
C.P. No. 2544

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.

1. Details of contracts or arrangements or transactions not at Arm's length basis: None, During the Reporting Period, all Transactions were at Arm's Length Basis

Sr. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions'	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General meeting as required under first provision to section 188	Not Applicable

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	There are no material contracts/arrangements entered into by the Company.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

*Details of other related party transactions are forming part of Notes to financial statements, refer note no. 42.

ANNEXURE TO DIRECTORS' REPORT

Disclosure on Managerial Remuneration pursuant to Section 197 read with rule 5 of Companies (appointment and remuneration of Managerial Personnel) rules, 2014

Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Title	Remuneration in FY 2016-17 (₹ In Lacs)	Remuneration in FY 2015-16 (₹ In Lacs)	No. of Stock options/ RSUs granted in FY 2016-17	% increase of remuneration in 2016-17 as compared to 2015-16	Excl. MP Ratio of remuneration to MRE	Incl. MP Ratio of remuneration to MRE and MP	Ratio of remuneration to Revenues (FY 2016-17)	Ratio of remuneration to Net Profit (FY 2016-17)
Whole-Time Director and CEO	17.07	16.8	-	1.61%	7.9	7.35	0.05%	0.74%
Director	-	-	-	-	-	-	0.00%	0.00%
Chief Financial Officer	14.54	5.8	-	150.69%	6.73	6.26	0.04%	0.63%
Managing Director	7.14	6	-	19.00%	3.3	3.08	0.02%	0.31%
Company Secretary	3.85	7.21	-	-46.60%	1.78	1.66	0.01%	0.17%

The Median Remuneration of Employees (MRE) excluding Managerial Personnel (MP) was ₹ 2,16,067 and ₹ 2,22,542 in FY 2016-17 and FY 2015-16 respectively. The decrease in MRE (excluding MP) in FY 2016-17, as compared to FY 2015-16 is 2.91%.

The Median Remuneration of Employees (MRE) including Managerial Personnel (MP) was ₹ 2,32,099 and ₹ 2,31,823 in FY 2016-17 and FY 2015-16 respectively. The increase in MRE (including MP) in FY 2016-17, as compared to FY 2015-16 is 0.12%.

The number of permanent employees on the rolls of the Company as of 31st March, 2017 and 31st March, 2016 was 137 and 87 respectively.

Sumer Chand Tayal
(Director)
DIN: 00255661

Vikas Garg
(Managing Director)
DIN: 00255413

Place: New Delhi
Date : August 11, 2017

SECRETARIAL AUDIT REPORT

(For the financial year ended 31st March, 2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

Vikas EcoTech Limited,

Regd. Office: 34/1 Vikas Apartments,
East Punjabi Bagh,
New Delhi - 110 026.

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 our opinion thereon.

Based on our verification of the 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 ended on 31st March, 2017, 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 period ended on 31st March, 2017 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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; it may be noted that during the year under review there was no Foreign Direct Investment, overseas Direct Investment and External Commercial borrowings.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as applicable from December 2015;
 - c. The Securities and Exchange Board of India (Share Benefits) Regulations, 2014
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. 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;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - h. The Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Equity Listing Agreements entered into with Bombay Stock Exchange Limited and National Stock Exchange of India Limited); and

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 the Bombay Stock Exchange Limited and National Stock Exchange of India Limited (i.e. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc mentioned above.

2. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:

Sr. No.	Description	Observation
a)	Maintenance of various statutory registers and documents and making necessary entries therein	The Company has maintained statutory registers as required under the Act and all the entries have been properly recorded.
b)	Closure of the Register of Members	The Register of Member was closed at the time of Annual General Meeting.
c)	Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government	The company has duly filed forms, returns with the Registrar of Companies, Delhi and wherever there is delay the Company has paid the additional fee.

Sr. No.	Description	Observation
d)	Service of documents by the Company on its Members, Auditors and the Registrar of Companies	Duly served
e)	Notice of Board meetings and Committee meetings of Directors	Duly sent
f)	The meetings of Directors and Committees of Directors including passing of resolutions by circulation	Duly convened
g)	The 31 st Annual General Meeting held on 30 th September, 2016;	Duly convened
h)	Minutes of proceedings of General Meetings and of the Board and its Committee meetings;	Duly entered and signed
i)	Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;	Duly obtained
j)	Constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;	Duly constituted, with proper balance of Executive, Non Executive and Independent Directors
k)	Payment of remuneration to Directors including the Managing Director and Whole-time Directors,	Duly made in accordance with the approval of shareholders and Central Government
l)	Appointment and remuneration of Auditors and Cost Auditors;	Duly made as per applicable provisions
m)	Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;	Duly made within prescribed time period.
n)	Declaration and payment of dividends;	Dividend of 5% i.e. 5 paise per share of ₹ 1 was declared and paid during the year under review
o)	Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;	Not required
p)	Borrowings and registration, modification and satisfaction of charges wherever applicable;	Duly complied
q)	investment of the Company's funds including investments and loans to others;	Duly complied
r)	form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;	Duly complied
s)	Directors' report;	Duly complied
t)	Contracts, common seal, registered office and publication of name of the Company; and	Duly complied
u)	Generally, all other applicable provisions of the Act and the Rules made under the Act.	Duly complied with

3. 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.
 - ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - iv) The Company has obtained all necessary approvals under the various provisions of the Act; and
 - v) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and Officers.
 - vi) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization/rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
7. I further report that:
- the Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Equity Listing Agreements entered into with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited)
 - the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

I further report that

- There are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- Complied with the following laws specifically applicable to the Company:
 - Factories Act, 1948.
 - Pollution laws including Environment Protection Act and rules made thereunder.
 - Labour Laws.
 - The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an internal complaints system.
- Legal cases

As per the information available, following is the status of legal cases pending in various Courts:

Sr. No	Name of case	Court	Amount involved (₹ in lac)	Status
1	Vikas GlobalOne Ltd. Vs. ADM Agro Industries Kota and Akola Ltd.	High Court of Delhi	99.62	Case for recovery due to poor supply of Soya bean oil and suffering of losses by the Company which is pending disposal.
2	ADM Agro Industries Kota and Akola Ltd. Vs. Vikas GlobalOne Ltd.	High Court, New Delhi	41.15	For winding up of the Company and also filed another summary suit for recovery of debt which is pending adjudication.

For **AAA and ASSOCIATES**
Company Secretaries

Place : Delhi
Date : August 11, 2017

A. K. Popli
Partner CP No.2544
FCS 3387



Standalone Financial Statements

Independent Auditor's Report

To,

The Members of **VIKAS ECOTECH LIMITED**

Report on the financial statements

We have audited the attached Financial Statements of M/s VIKAS ECOTECH LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year then ended and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the financial statements").

Management's responsibility for the Financial Statements

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

Auditor's responsibilities

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

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

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

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

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

Opinion

Except as otherwise stated in accounting policies and notes to financial statements, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017; its profit and cash flows for the year ended on that date.

Other Matters

Certain balances as on year end such as Closing Stock, Fixed Assets and Cash in Hand are certified by the management and relied upon by us. Balances of Loans and Advances including advance from customers and advance paid to suppliers (domestic and overseas both), Creditors and Debtors (domestic and overseas both) are subject to confirmation/reconciliation and consequential adjustments, if any.

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

The financial statements of the Company for the year ended 31st March, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 23rd May, 2016.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as otherwise stated in accounting policies and notes to financial statements.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of internal financial controls over the financial reporting of the company and operating effectiveness of such control, refer to our separate report in 'Annexure B' ; and
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial position of the company (Refer Note No. 32) to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note No. 45) to financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

CA PRASHANT CHANNA
Partner
Membership No.: 530041

Place: New Delhi
Date : May 29, 2017

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 31st March, 2017. We report that:

Sl. No.	Particulars	Auditor's Remarks
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	As informed and explained to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However we have not seen and examined any fixed assets register and solely relied upon the management representation given to us in this regard.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner and no material discrepancies were noticed on such physical verification. However we have not seen and examined any physical verification report and relied solely on management representation given to us in this regard.
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	According to information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	In our opinion according to information given to us, the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification. However we have not seen and examined any physical verification report and relied solely on management representation given to us in this regard.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
	(a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, this clause is not applicable.
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, this clause is not applicable.
	(c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, this clause is not applicable.
(iv)	In respect of loans, investments, guarantees, and security whether provisions of sections 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	The company has not given or made any investments, or provided any guarantee and security covered under sections 185 and 186 of Companies Act, 2013. Accordingly the provision of clause 3(iv) of the order is not applicable.
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	According to the information and explanations given to us, the Company has not accepted any deposit within meaning of sections 73 to 76 of the Companies Act, 2013 and rules framed there under during the year. Accordingly the provision of clause 3(iv) of the order is not applicable.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	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.
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	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, duty of customs, 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.

	(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	According to the information and explanations given to us, no other undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable. For amounts which are not paid on account of disputes for which appeals are pending, refer Note 32 to Financial Statements for the year ended 31st March 2017.
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	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.
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	In our opinion and according to the information and explanations given to us, monies raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year have been applied by the Company for the purposes for which they were raised.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	During the year under review the Company has made preferential allotment of 2,56,60,000 equity shares details of which is mentioned in Note 2 of Financial statements. As per information and explanation given to us the requirement of section 42 of the Companies Act, 2013 have been complied with while issuing preferential allotment and the amount raised by preferential allotment have been used for the purposes for which the funds were raised.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	The company has not entered into any non-cash transactions with directors or persons connected with him, hence the provisions of section 192 of Companies Act, 2013 are not applicable.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA PRASHANT CHANNA
Partner
Membership No.: 530041

Place: New Delhi
Date : May 29, 2017

Annexure "B" to the Independent Auditors Report on the Financial Statements of VIKAS ECOTECH LIMITED

(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 31st March, 2017 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 31st March, 2017, 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 PRASHANT CHANNA

Partner
Membership No.: 530041

Place: New Delhi
Date : May 29, 2017

Balance Sheet as at 31st March, 2017

Amount in ₹

	Note No.	As at 31 st March, 2017	As at 31 st March, 2016
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	27,98,99,675	25,42,39,675
Reserves and surplus	3	1,03,35,38,264	40,81,98,910
Share application money pending allotment		-	-
		1,31,34,37,939	66,24,38,585
Non-Current Liabilities			
Long-term borrowings	4	8,02,60,036	9,70,80,604
Deferred tax liabilities (Net)	5	-	-
Other long term liabilities	6	27,36,763	8,75,622
Long-term provisions		-	-
		8,29,96,799	9,79,56,226
Current liabilities			
Short-term borrowings	7	99,92,43,351	81,47,20,370
Trade payables	8	42,52,65,739	44,89,41,279
Other current liabilities	9	7,09,31,284	10,51,47,892
Short-term provisions	10	16,19,85,711	14,77,52,520
		1,65,74,26,086	1,51,65,62,061
TOTAL		3,05,38,60,823	2,27,69,56,872
ASSETS			
Non-Current Assets			
Fixed assets	11		
Tangible assets		27,45,88,583	27,90,26,018
Intangible assets		-	-
Capital work-in-Progress		-	-
Intangible assets under development		-	-
Non-current investments	12	4,17,051	3,86,179
Deferred tax assets (net)	5	2,17,97,174	17,14,757
Long-term loans and advances		-	-
Other non-current assets	13	36,58,657	18,87,674
		30,04,61,465	28,30,14,628
Current Assets			
Current investments			
Inventories	14	56,64,13,825	37,54,55,547
Trade receivables	15	1,51,59,53,160	1,40,63,62,596
Cash and cash equivalents	16	19,32,00,164	4,40,74,170
Short-term loans and advances	17	37,76,79,411	9,56,74,000
Other current assets	18	10,01,52,799	7,23,75,931
		2,75,33,99,358	1,99,39,42,244
TOTAL		3,05,38,60,823	2,27,69,56,872

NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 51

As per our report of even date attached

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

For **KSMC And Associates**
Chartered Accountants
(FRN: 003565N)

CA. PRASHANT CHANNA
Partner
Membership No.: 530041

Place: NEW DELHI
Date : May 29, 2017

SIDDHARTH AGRAWAL
(Company Secretary)

For and on behalf of the Board of Directors

VIKAS GARG
(Managing Director)
00255413

ASHUTOSH KUMAR VERMA
(Chief Executive Officer)

SUMER CHAND TAYAL
(Director)
00255661

ANJAVI PANDYA
(Chief Financial Officer)

Statement of Profit and loss for the year ended 31st March, 2017

Amount in ₹

	Note No.	As at 31 st March, 2017	As at 31 st March, 2016
Revenue			
Revenue from operations	19	3,87,64,57,323	3,23,45,49,617
Less: Excise duty		(16,28,55,910)	(16,30,29,478)
Net Sales		3,71,36,01,413	3,07,15,20,140
Other income	20	1,66,92,842	4,83,09,132
Total revenue		3,73,02,94,255	3,11,98,29,272
Expenses			
Cost of material Consumed	21	1,99,51,51,255	1,72,93,91,614
Purchase of stock-in-trade	22	76,08,82,265	66,74,28,985
Changes in inventories	23	3,02,95,454	(2,45,16,179)
Employee benefit expenses	24	5,25,56,398	3,31,01,091
Finance costs	25	13,00,80,452	11,36,27,852
Depreciation and amortization expenses	26	4,26,67,371	3,37,07,715
Other expenses	27	19,88,38,297	17,61,32,918
Total expenses		3,21,04,71,492	2,72,88,73,997
Profit before exceptional, extraordinary and prior period items and tax		51,98,22,763	39,09,55,275
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		51,98,22,763	39,09,55,275
Extraordinary items		16,31,07,919	-
Prior period item (Income)/Expenses		94,499	(16,11,579)
Profit before tax		35,66,20,345	39,25,66,854
Tax expenses			
Current tax		14,50,00,000	13,24,36,448
Mat Credit Availed		-	27,24,857
Deferred tax		(2,00,82,417)	(17,83,319)
Excess/short provision relating earlier year tax			38,46,649
Profit/Loss for the period from continuing operations		23,17,02,762	25,53,42,219
Profit/Loss from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit/Loss from discontinuing operations(after tax)		-	-
Profit/Loss for the period		23,17,02,762	25,53,42,219
Share earnings From Partnership Firm		-	-
Profit(Loss) for the period		23,17,02,762	25,53,42,219
Earnings per share			
Basic (weighted Average)	43	0.91	1.00
Diluted	43	0.91	1.00

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 51

As per our report of even date attached

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

For **KSMC And Associates**
Chartered Accountants
(FRN: 003565N)

CA. PRASHANT CHANNA
Partner
Membership No.: 530041

Place: NEW DELHI
Date : May 29, 2017

SIDDHARTH AGRAWAL
(Company Secretary)

For and on behalf of the Board of Directors

VIKAS GARG
(Managing Director)
00255413

ASHUTOSH KUMAR VERMA
(Chief Executive Officer)

SUMER CHAND TAYAL
(Director)
00255661

ANJAVI PANDYA
(Chief Financial Officer)

Cash Flow Statement for the period ended on 31st March, 2017

Amount in ₹

Particulars	For the period ended on 31 st March, 2017	For the period ended on 31 st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) after extraordinary items and Tax	35,66,20,345	39,25,66,854
Adjustments for:		
Depreciation	4,26,67,371	3,37,07,715
Loss on fire (Fixed Assets)	5,65,58,131	-
Debit Balance of Fixed Assets Balance W/off	-	18,00,150
Amortization	-	-
ESOP	-	(1,05,03,337)
Interest expenses	13,00,80,452	11,33,53,541
Profit on sale of Investment	-	-
Profit on sale of Tangible Asset	(8,31,116)	13,808
Interest on current investments	(42,01,269)	(33,01,543)
Operating Profit/Loss before working capital changes	58,08,93,915	52,76,37,188
Adjustments for:		
(Increase)/Decrease in inventories	(19,09,58,278)	(9,64,94,906)
(Increase)/Decrease in trade receivables	(10,95,90,564)	(65,88,14,652)
(Increase)/Decrease in other current assets	(2,77,76,868)	14,55,416
(Increase)/Decrease in loans and advances	(28,20,05,411)	(34,58,412)
Increase/(Decrease) in trade payables	(2,36,75,540)	13,45,69,806
Increase/(Decrease) in other liabilities	(3,42,16,608)	8,02,18,625
Increase/(Decrease) in provisions	77,78,535	(19,876)
Cash generated from operations	(7,95,50,819)	(1,49,06,811)
Direct taxes (paid)/refunded	(12,00,86,448)	(2,65,07,360)
Net Cash flow from (used) in operating activities	(19,96,37,267)	(4,14,14,171)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(9,61,66,949)	(10,48,05,996)
Sale of tangible fixed assets	22,10,000	4,65,300
Other interest received	42,01,269	33,01,543
Long term loans and advances	(17,70,983)	16,37,859
Other Non-current activities net	(2,01,13,289)	(17,45,890)
Net cash flow from (used) in investing activities	(11,16,39,951)	(10,11,47,184)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	18,45,22,981	22,77,35,074
Repayment Long term borrowings	(1,68,20,568)	2,22,61,563
Interest Paid on bank borrowings	(13,00,80,452)	(11,33,53,541)
Proceeds from Issue of Equity Shares	43,62,20,000	-
Other Long-term liabilities	18,61,141	(7,93,063)
Dividend paid	(1,27,11,983.75)	(1,27,11,984)
Dividend distribution tax paid on equity shares	(25,87,906)	(24,26,119)
Net cash flow from (used) in financing activities	46,04,03,212	12,07,11,929
Net increase (decrease) in cash and cash equivalents	14,91,25,994	(2,18,49,426)
Cash and Cash Equivalents at the beginning of the year	4,40,74,170	6,58,37,193
Cash and Cash Equivalents at the end of the year	19,32,00,164	4,40,74,170

The accompanying notes including other explanatory information form an integral part of the financial statements

As per our report of even date attached

For **KSMC And Associates**
Chartered Accountants
(FRN: 003565N)

CA. PRASHANT CHANNA
Partner
Membership No.: 530041

Place: NEW DELHI
Date : May 29, 2017

SIDDHARTH AGRAWAL
(Company Secretary)

For and on behalf of the Board of Directors

VIKAS GARG
(Managing Director)
00255413

ASHUTOSH KUMAR VERMA
(Chief Executive Officer)

SUMER CHAND TAYAL
(Director)
00255661

ANJAVI PANDYA
(Chief Financial Officer)

Note: 1**Background and Nature of Operations**

Vikas Ecotech Limited (VEL) is a Delhi based professionally managed Company incorporated on 30th November, 1984 under the Companies Act, 1956, having its registered office at Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi – 110 026 and is listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE).

Vikas Ecotech is an emerging player in the global arena engaged in the business of High-end specialty chemicals. It's 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 electricals, hygiene to healthcare, polymers to packaging, textiles to footwear, the company's products serve a diverse range of global industry needs. Company has its manufacturing plants in the state of Rajasthan, Jammu and Kashmir and Uttar Pradesh. Also, the company has commenced construction of new State-of-the-art Plant & Innovation Center at Dahej and Kandla in Gujarat to cater to Export and Western & Southern Indian markets.

Summary of Significant Accounting Policies

The significant accounting policies adopted by the Company, in respect of the financial statements are set out below:

- a) **Basis of Presentation:** These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 & other relevant provisions of the Companies Act, 2013 & guidelines issued by the SEBI. The accountings policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in the accounting policy hitherto in use.
- b) **Use of Estimates:**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Hence, the differences between the actual results and estimates are recognized in the year in which the results are known/materialized.
- c) **Inventories:**
 - i) Raw Material/Trading is valued at lower of cost or net realizable value.
 - ii) Finished products are valued at lower of cost or net realizable value, cost of conversion & other cost incurred in bringing the goods to their present location & condition.
 - iii) Packing Material, stores & spares parts are valued at lower of cost or net realizable value.
 - iv) Inventory on construction activities has been valued at cost incurred.
 - v) Obsolescence: Obsolete, slow moving & defective inventories are identified at the time of physical verification of inventories & wherever necessary provision is made for such inventories.
 - vi) Shortage/Excess of Packing Material, Stores & spares parts and finish goods arising from physical verification are charged/adjusted to consumption/production.
- d) **Prior Period Items:**
Significant items of Income and Expenditure which relates to prior accounting period are accounted in the statement of profit and loss under the head "prior period expenses/income" other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year.
- e) **Fixed Assets, Impairment:** Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment of losses if any. The Company capitalizes all direct costs relating to the acquisition and installation of fixed assets. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under 'Capital Advances'.
- f) **Depreciation and Amortization:**
 - Depreciation on tangible asset is provided on Written Down Value Method (WDV) over the useful lives of assets as per schedule II of Companies Act, 2013. Depreciation on asset purchased/sold during the period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on Straight Line Basis, commencing from the date the asset is available to the Company for its use. The management estimates the useful lives for the fixed assets as follow:

o Building Office	60 Years
o Building Factory	30 Years
o Plant and Machinery	15 Years
o Office Equipment	5 Years
o Furniture and fixture	10 Years
o Electricity Fitting and Installation	10 Years
o Vehicles	
• Motor cycles, Scooters	10 Years
• Motor cars	8 Years
o Computers	3 Years
o Lease Hold Land	Remaining useful live As per lease agreement

Depreciation and amortization methods, useful lives and residual values are reviewed predictably including at each financial year end.

g) Impairment:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount. Impairment losses previously recognized are accordingly reversed.

h) Investments: Investments are classified as long term or current investments. Long term investments are stated at cost and provision for diminution in their value, other than temporary, is recorded in the books of account. Current investments are stated at the lower of cost or fair value. 100 % Provision has been made in case the realizable value is uncertain.

i) Revenue recognition: Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods: Revenue from sale of goods is recognized when significant risks and rewards of ownership of goods are transferred to the customers. Sales are net of sales return, free quantities delivered and trade discounts.

Interest: Interest income from deposits and others is recognized on accrual basis (i.e. time proportion basis).

Construction Contract: The Company follows percentage completion method of accounting in respect of its construction activity. Under this method, the profit on unit sold is recognized on the basis of percentage of work completed which is determined on technical estimations.

Profit on sale of Investment: Profit on sale of investment is recognized on the date of transaction of sale and is computed with reference to the cost of investments.

Other Revenue Receipts: Other revenue receipts are recognized on accrual basis (i.e. time proportion basis).

j) Borrowing Costs: Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the year in which they are incurred.

k) Earnings per Share: Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares such as preferential shares, ESOP, share warrants, share application money etc.

l) Operating Leases: Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term in accordance with Accounting Standard 19 (AS 19) - Leases as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

m) Cash & Cash Equivalent: Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. It also includes deposits with Bank held as margin money.

n) Cash Flow Statement: Cash Flows are reported using indirect method, whereby profit before tax is adjusted for efforts of transactions of non cash nature and any deferral or accruals of any past or future cash receipts or payments. The Cash Flows from regular revenue generating, financing and investing activity of the Company segregated.

o) Employees' Retirement Benefits:

Short Term Employee Benefits: Short Term Employee Benefits are recognized as Expenditure in the profit and loss accounts of the year in which the related services are rendered.

Post Employment Benefits:

Defined Contribution Plans: Contribution payable by the Company to the Central Government authorities in respect of Provident fund, Family Pension fund and Employee State Insurance are defined plans. These contributions are recognized as expenses in the statement of Profit and Loss during the period in which the employee renders the related services. The Company does not have any further obligation in this respect beyond such contribution.

Defined Benefit Plans: The Company provides for gratuity the liability with regard to gratuity plan are determine by Actuarial Valuation, performed by an independent Actuary at each balance sheet date. Gratuity are covered under the Gratuity Policy respectively, of Life Insurance Corporation of India (LIC). The Present Value of the Obligation is determined by using projected unit Credit method. Actuarial Gains and Loss rising on such valuation are recognized immediately in the profit and loss account.

p) Taxes on Income: Tax expense comprises of current tax and deferred tax.

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement income and taxable income for the year. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax Assets are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier periods are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which deferred tax assets can be realized.

- q) **Provisions, Contingent Liabilities and Contingent Assets:** Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent liability is disclosed for:

- i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or,
- ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are neither recognized in the financial statements since this may result in the recognition of income that may never be realized.

- r) **Foreign Currency Transactions:**

Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction to the foreign currency amount.

- i) **Conversion:** Foreign currency monetary items are converted to reporting currency using the closing rate. Non monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency is reported using the exchange rates that existed when the values were determined.
- ii) **Exchange Differences:** Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded, are recognized as income or expense in the year in which they arise except those arising from investments in non-integral operations.
- iii) **Forward Exchange Contract:** In case of forward Exchange contract, difference between the forward rates and the exchange rate on the date of transaction is recognized as expenses or income over the life of the contract. Exchange difference on such contract is recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expenses for the year.

- s) **Government Grants:**

Government grants are recognized when there is reasonable assurance that the group will comply with the condition attaching to them and grants will be received. Revenue grants are recognized in the statement of Profit and loss account. Capital grants relating to Specific Fixed Assets are reduced from gross value of respectively fixed assets and other grant are credited to capital reserve account.

- t) **Claims for Loss/Damages:**

Claims for loss/damages are accounted for as and when same are approved by the concerned authority/department on the basis of principle of virtual certainty regarding its recoverability/realization.

Note 2: Share Capital

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March 2016
Authorised:		
32,00,00,000 Equity shares of ₹ 1 par value	32,00,00,000	26,00,00,000
Issued:		
27,98,99,675 Equity shares of ₹ 1 par value	27,98,99,675	25,42,39,675
Subscribed and paid-up :		
27,98,99,675 Equity shares of ₹ 1 par value	27,98,99,675	25,42,39,675
Total	27,98,99,675	25,42,39,675

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Equity shares

Amount in ₹

	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	25,42,39,675	25,42,39,675	25,42,39,675	25,42,39,675
Issued during the Period (Preferential Allotment)	2,56,60,000	2,56,60,000	-	-
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	27,98,99,675	27,98,99,675	25,42,39,675	25,42,39,675

Details of Shareholders holding shares more than 5% shareholding:

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares	%	No. of Shares	%
Vikas Garg	4,83,43,855	17.27%	5,03,62,250	19.81%
Vikas Multicorp Limited (formerly known as Moonlite Technochem Pvt. Ltd.)	4,11,06,140	14.69%	4,32,21,141	17.00%
Athena Multitrade Pvt. Ltd.	-	-	2,04,31,500	8.04%
Jayant Shamji Chedda HUF	2,00,00,000	7.15%	-	-

Right, Preferences and Restriction attached to Shares:

Equity Shares

The Company has only one class of Equity having a par value ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preferential Equity Allotment

In accordance with the provision of section 39 of the Companies Act, 2013 read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and pursuant to the letter of offer for issuance of shares and approval of the company, the Company has issued 2,56,60,000 shares as preferential Equity shares of ₹ 1 per equity share at a premium of ₹ 16 per share during the current financial year.

The following is the List of Persons to whom such preferential equity shares are issued:

Sl. No.	Name of Applicant	Number of Equity Shares Issued
1	Jayant Shamji Chhedda HUF	2,00,00,000
2	B D Bansal HUF	5,00,000
3	Deepak Bansal	3,00,000
4	Naresh Chander Garg	4,20,000
5	Suresh Chand Garg	4,20,000
6	Renu Garg	3,50,000
7	Sanesh Garg	3,50,000
8	Laxmi Devi Garg	1,20,000
9	Priya Mittal	32,00,000
Total		2,56,60,000

Note 3: Reserve & Surplus

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Capital Reserves *		
Opening Balance	9,65,934	9,65,934
Add: Addition during the year	-	-
Less: Deletion during the year	-	-
Closing Balance	9,65,934	9,65,934
Securities Premium Account		
Opening Balance	-	-
Add: Addition during the year	41,05,60,000	-
Less: Deletion during the year	-	-
Closing Balance	41,05,60,000	-
General Reserve		
Opening Balance	16,49,94,432	14,71,20,475
Add: Addition during the year	1,62,19,193	1,78,73,954
Less: Deletion during the year	-	-
- Bonus Shares	-	-
- Reversal of Fixed Assets Expired Useful Life	-	-
Closing Balance	18,12,13,625	16,49,94,429
Profit and Loss Account		
Opening As Per Last Balance Sheet	24,22,38,547	2,00,70,173
Add: Addition during the year	23,17,02,762	25,53,42,219
Less: Profit appropriation to	-	-
- Dividend Proposed	(1,39,94,984)	(1,27,11,984)
- Dividend Distribution Tax	(29,28,427)	(25,87,906)
- Transfer to General Reserve	(1,62,19,193)	(1,78,73,954)
Closing Balance	44,07,98,705	24,22,38,547
Employee Stock Option Reserve	-	1,05,03,337
Less: Written off/Transfer	-	(1,05,03,337)
Closing Balance	-	-
Balance Carried forward to Balance Sheet	1,03,35,38,264	40,81,98,910

*Kindly refer Note no. 37 of notes providing the details of Capital Reserve.

Note 4: Long-Term Borrowings

Amount in ₹

Particulars	As at 31 st March, 2017			As at 31 st March, 2016		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
(a) Term loans from banks						
Loan taken for vehicles (secured)						
HDFC - Vehicle Loan (Agreement No. 24353585)	-	-	-	-	45,066	45,066
HDFC - Vehicle Loan (Account No. 38982281)	25,59,462	21,43,667	47,03,129	-	-	-
ICICI - Vehicle Loan (Account No. 00035146099)	38,82,834	19,71,026	58,53,860	-	-	-
Toyota Financial Services India Ltd.- Innova Loan (A/c No. NDEL1085441)	12,92,961	2,91,539	15,84,500	-	-	-
ICICI Loan No. LADEL00026874591	-	-	-	-	2,11,315	2,11,315
Loan taken for Business (secured)						
ICICI Loan No. LADEL00002038205 (in the name of Sigma Plastic Industries)	3,56,31,135	40,63,575	3,96,94,710	3,96,94,710	36,06,217	4,33,00,927
Loan taken for fixed assets (secured)						
OBC TL – 08767025002281	2,52,11,644	90,52,992	3,42,64,636	3,52,60,747	98,40,209	4,51,00,956
OBC TL – 11167015000461	-	40,23,611	40,23,611	47,92,386	50,40,000	98,32,386
OBC TL – 08767025001865	1,16,82,000	49,68,000	1,66,50,000	1,73,32,761	54,00,000	2,27,32,761
Total	8,02,60,036	2,65,14,410	10,67,74,446	9,70,80,604	2,41,42,807	12,12,23,411
The Above Amount Includes						
Secured Borrowings	8,02,60,036	2,65,14,410	10,67,74,446	9,70,80,604	2,41,42,807	12,12,23,411
Amount Disclosed Under the Head "Other Current Liabilities" (Note:)	-	(2,65,14,410)	(2,65,14,410)		(2,41,42,807)	(2,41,42,807)
Total	8,02,60,036	-	8,02,60,036	9,70,80,604	-	9,70,80,604

HDFC - Vehicle Loan Agreement No. 38982281 was taken during 2016 year and carries interest @ 9.4% per annum. The Loan is repayable in 36 instalments of ₹ 2,07,805 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company.

HDFC - Vehicle Loan Agreement No. 24353585 was taken during 2013 year and carries interest @ 15.65% per annum. The Loan is repayable in 36 instalments of ₹ 22,837 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company. This Loan has been discharged completely during the year under consideration.

ICICI Loan No. LADEL 00026874591 was taken during 2013 year and carries interest @ 9.09 % per annum. The Loan is repayable in 36 instalments of ₹ 1,11,450 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company. This Loan has been discharged completely during the year under consideration.

ICICI Loan No. LA DEL 00035146099 was taken during 2016 year and carries interest @ 9.10% per annum. The Loan is repayable in 36 instalments of ₹ 2,01,906 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company.

Toyota Financial Services India Ltd - NDEL1085441 was taken during 2016 year and carries interest @ 9.24% per annum. The Loan is repayable in 60 instalments of ₹ 35,496 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company.

Term Loan III - 11167015000461 (Oriental Bank of Commerce) Closing balance limits ₹ 40.24 Lacs. The Term Loan is secured on the Plant and Machinery and Land and Building located at G-24-29 & 30, RIICO Industrial Area, Vigyan Nagar, Shahjahanpur, Dist. Alwar, Rajasthan owned by Vikas Ecotech Limited. The rate of interest shall be BR + 2% + 0.5%. The Period of Maturity from the Balance Sheet date is 7 months.

Term Loan IV - 8767025001865 (Oriental Bank of Commerce) Closing balance limits ₹ 166.50 Lacs . The Term Loan is secured on the 1st exclusive charge by way of hypothecation on plant & machinery financed by OBC. The rate of interest shall be BR + 2% + .5%. The Period of Maturity from the Balance Sheet date is 36 months.

Term Loan V - 8767025002281 (Oriental Bank of Commerce) Closing balance limits ₹ 342.65 Lacs. The Term Loan is secured on the 1st exclusive charge by way of hypothecation on plant & machinery and construction of Building financed by OBC. The rate of interest shall be BR+2%+.5%. The Period of Maturity from the Balance Sheet date is 42 months.

ICICI Bank Loan No. LADEL 00002038205: By virtue of acquisition of remaining share in Sigma Plastic Industries, the Loan (Firm has taken term loan from ICICI Bank of ₹ 500 Lacs repayable in 120 EMI of ₹ 7,17,355 each on 12th November, 2013, this is secured against house No. 10, Road No. 4 East Punjabi Bagh, New Delhi. The properties in the name of the Directors of the Company) became part of the capital structure of the Company and the Loan is in the process of transferring in the name of the borrower, from Sigma Plastic Industries to Vikas Ecotech Limited and has not been transferred in the name of Company as on Balance Sheet Date.

Note 5: Deferred Tax

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Deferred tax liability	-	-
Deferred tax liability depreciation	-	-
Gross deferred tax liability	-	-
Deferred tax Asset depreciation	2,17,97,174	17,14,757
Net deferred tax Assets	2,17,97,174	17,14,757

Note 6: Other Long Term Liabilities

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Other Payables	-	-
Provision For Gratuity (Long Term Portion)	27,36,763	8,75,622
Total	27,36,763	8,75,622

Note 7: Short Term Borrowings

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Secured		
Loans Repayable on Demands - from Banks		
Cash Credit Limits		
Cash Credit - Bank of Baroda	10,20,44,985	23,72,76,415
Cash Credit - DBS	(7,42,46,777)	-
Cash Credit - Oriental Bank Of Commerce	36,90,82,767	27,95,39,571
Cash Credit - Punjab National Bank	7,67,84,460	-
PCFC & FCBRD Limits		
PCFC & FCBRD - Bank of Baroda	5,60,88,065	10,97,28,142
PCFC & FCBRD - DBS	13,84,29,209	-
PCFC & FCBRD - Oriental Bank Of Commerce	26,14,09,063	18,81,76,242
PCFC & FCBRD - Punjab National Bank	6,96,51,579	-
Total	99,92,43,351	81,47,20,370

CASH CREDIT

Company is availing working capital limits under consortium of Oriental Bank of Commerce, Bank of Baroda, Punjab National Bank & Development Bank of Singapore with Oriental Bank of Commerce as lead banker in consortium and others banks are member banks.

The Company is availing a Cash Credit (Hypo) limit of ₹ 6,120 Lacs which include PCFC Limit of ₹ 2,880 Lacs from Oriental Bank of Commerce against hypothecation of stock, receivables, 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. Margins 20% and the rate of interest is Bank MCLR + 2% which at present is 11.60% p.a. Further the Company is also availing LC/DA/DP basis non Fund Based Limit of ₹ 2,760 Lacs (which includes both sides inter change ability LC to CC for ₹ 1,000 Lacs) for procurement of Raw Material and Spares. Cash Margins is 15% in the shape of FDR on LC limits. The proposal of renewal cum enhancement is under process with Oriental Bank of Commerce as on Balance Sheet date.

The Company is also availing Cash Credit limit of ₹ 1,550 Lacs from Bank of Baroda with a sub-limit of PC/PCFC/FCBP/FBD of ₹ 575 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. DP shall be permitted against receivable upto 180 days. Margin is 20% & Rate of interest is MCLR+SP+1.85% which is at present 11.50%. Further the Company is availing Non Fund Based LC (Import/Inland/DP/DA/BG, Buyers Credit) limits of ₹ 650 Lacs for procurement of raw material and spares. Cash Margin is 15% in the shape of FDR on LC limits.

The Company is also availing Cash Credit limit of ₹ 1,530 Lacs from Punjab National Bank with a sub limit of PC/PCFC/FCBP/FBD of ₹ 720 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. DP shall be permitted against receivable upto 180 days. Margin is 20% & Rate of interest is BR + 2.75% which at present is 12.35%. Further the Company is availing Non Fund Based LC (Import/Inland/DP/DA/BG, Buyers Credit) limits of ₹ 690 Lacs for procurement of raw material and spares. Cash Margin is 15% in the shape of FDR.

The Company is also availing Cash Credit limit of ₹ 1,000 Lacs from Development Bank of Singapore with a sub limit of PC/PCFC/FCBP/FBD of ₹ 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. DP shall be permitted against receivable upto 180 days. Margin is 20% & Rate of interest is MCLR + 1.35% which at present is 10.5%. Further the Company is availing Non Fund Based LC (Import/Inland/DP/DA/BG, Buyers Credit) limits of ₹ 500 lacs (which includes both side inter change ability LC to CC for ₹ 500 Lacs) for procurement of raw material and spares. Cash Margin is 15% in the shape of FDR.

Further the limit is secured on following Collateral Properties:

- 1) Property bearing Khasra No.14/5/2 6min, 15/1/2, 9/2 &10 min Village Ghevra, near Mundka Railway Crossing, Delhi owned by Ms. Seema Garg and Ms. Namita Garg.
- 2) Roof right of Property 34/1, Vikas Apartments, East Punjabi Bagh, New Delhi owned by Company.
- 3) Industrial property at Industrial Growth Centre, Phase 1, Dist. Samba, J&K owned by Company.
- 4) Land & building situated at Industrial Growth Centre, Phase-1, Dist. Samba, J&K owned by Company.
- 5) F-5, Vikas Apartment, 34/1, 1st Floor, East Punjabi Bagh, New Delhi owned by Ms. Seema Garg.
- 6) Industrial property at G-30, RIICO Industrial Area, Vigyan Nagar, Shahjahanpur Dist. Alwar, Rajasthan.
- 7) Property situated at Khasra no. 710/201 in Village Rithala, Delhi owned by Mr. Vivek Garg.
- 8) A-28 Khasra No.12/10 and 13/6 Village Kamrudin Nagar, Nangloi owned by Ms. Seema Garg and Ms. Usha Garg.
- 9) 770, Khasra No.142/770, situated at Village Khanjawala, New Delhi owned by Ms. Usha Garg
- 10) B-1, 34/1, Vikas Apartment, Punjabi Bagh, New Delhi owned by Ms. Usha Garg.
- 11) Land situated in village Sultanpur Dabas, New Delhi owned by Company.
- 12) Industrial property at G-24-29 RIICO Industrial Area, Vigyan Nagar, Shahjahanpur Dist. Alwar, Rajasthan, owned by Company.
- 13) Industrial Property at Dahej-II, Industrial Estate, Dist. Bharuch, Gujarat owned by Company.
- 14) Industrial Property No. F-7 & 8, Vigyan Nagar RIICO Indl. Area, Shahjahanpur, Tehsil Neemrana, Distt. Alwar, Rajasthan.

Further limits are guaranteed by Personal guarantee of the following:

- 1) Mr. Nand Kishore Garg
- 2) Mr. Vikas Garg
- 3) Mr. Vivek Garg
- 4) Ms. Seema Garg
- 5) Ms. Usha Garg
- 6) Ms. Namita Garg

Note 8: Trade Payables

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Sundry Creditors (subject to confirmation and reconciliation)	42,52,65,739	44,89,41,279
Total	42,52,65,739	44,89,41,279

Note 9: Other Current Liabilities

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Current Maturities of Long Term Loan debt (Note No. 4)	2,65,14,410	2,41,42,807
Total	2,65,14,410	2,41,42,807
Other Payables		
Duties and Taxes	1,97,84,092	20,20,382
Advance from Customers	96,54,792	87,77,696
Expenses Payable	88,54,922	42,86,050
Advance Received against Property	45,21,000	-
Current Account with Bank	-	6,47,74,225
Other current Expenses & Liability	16,02,068	11,46,732
	4,44,16,875	8,10,05,084
Total	7,09,31,284	10,51,47,892

Note 10: Short Term Provisions

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Dividend on Equity Shares	1,39,94,984	1,27,11,984
Dividend Distribution Tax	29,28,427	25,87,906
Current Tax Provision	14,50,00,000	13,24,36,448
Provision for Gratuity (Short Term)	62,300	16,182
Total	16,19,85,711	14,77,52,520

Note 11: Fixed Assets Chart as at 31st March, 2017

Particulars	Gross Block				Depreciation		Net Block	
	As at 31.03.2016	Addition	Deductions	As at 31.03.2017	As on 31.03.2016 for the year	Reversal	As on 31.03.2017	As on 31.03.2016
FIXED ASSETS								
Tangible Assets								
Leasehold Land	7,69,46,312	3,53,64,183	-	11,23,10,495	9,50,569	-	11,04,43,541	7,60,29,927
Building (Office)	30,64,595	-	-	30,64,595	1,12,076	-	21,94,478	23,06,553
Building (Factory)	7,37,95,010	1,04,41,145	2,19,02,450	6,23,33,705	61,35,745	50,75,276	4,24,39,287	5,49,61,061
Plant & Machinery	22,68,40,982	2,74,94,926	5,97,97,342	19,45,38,566	2,91,82,397	2,00,66,386	9,68,53,443	13,82,71,870
Furniture & Fittings	26,91,950	17,800	-	27,09,750	1,99,977	-	5,49,833	7,32,009
Vehicles	1,98,86,019	2,18,08,041	67,66,613	3,49,27,447	50,10,296	53,87,729	1,99,38,193	45,19,332
Office Equipments	1,07,89,658	5,55,272	-	1,13,44,930	7,10,564	-	15,38,607	16,93,899
Computers	50,54,332	4,85,582	-	55,39,914	3,65,747	-	6,31,201	5,11,366
Total (Current Year)	41,90,68,858	9,61,66,949	8,84,66,405	42,67,69,402	4,26,67,371	3,05,29,391	27,45,88,583	27,90,26,018
As on 31.03.2016	31,90,90,407	10,48,05,996	48,27,545	41,90,68,858	3,37,07,715	25,48,286	27,90,26,018	21,02,06,995

Note 12: Non-current Investments

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
LIC Group Insurance (fair value as reported in actuarial valuation report)	4,17,051	3,86,179
Total	4,17,051	3,86,179

Note 13: Other Non-current Assets

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Security Deposit (Unsecured and considered good)	36,58,657	18,87,674
Total	36,58,657	18,87,674

Note 14: Inventories

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(Valued at Lower of cost or NRV unless otherwise stated) (As valued and certified by the management)		
Finished Goods	4,37,78,989	2,53,65,043
Real Estate Inventory	1,22,45,927	1,22,45,927
Traded Goods	-	3,02,95,454
Raw Material	37,96,02,388	28,01,95,935
Capital WIP - Real Estate	1,43,70,612	1,43,70,612
Goods in Transit	11,64,15,909	1,29,82,576
Total	56,64,13,825	37,54,55,547

Note 15: Trade Receivables

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(subject to confirmation and reconciliation)		
Outstanding for more than six months		
Unsecured, considered Good:	3,04,72,037	3,57,79,303
Less: Provision for doubtful debts	-	-
	3,04,72,037	3,57,79,303
Outstanding for less than six months		
Unsecured, considered good	1,48,54,81,123	1,37,05,83,293
Less: Provision for doubtful debts	-	-
	1,48,54,81,123	1,37,05,83,293
Total	1,51,59,53,160	1,40,63,62,596

Note 16: Cash and Cash Equivalent

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Cash-in-Hand		
Cash in Hand**	22,42,197	12,09,411
	22,42,197	12,09,411
Bank Balance		
Bank Current Account	13,94,28,450	5,34,648
Unpaid Dividend Account*	15,99,233	11,33,708
Deposit with Bank held as Margin Money	4,99,30,283	4,11,96,402
	19,09,57,967	4,28,64,758
Total	19,32,00,164	4,40,74,170

*There is no Amount in unpaid Dividend Account which is transferable to Investor Protection Fund Account.

Particulars	Amount in ₹		
	SBN*	ODN	Total
Closing Cash in Hand as on 08.11.2016	6,00,000	4,22,052	10,22,052
(+) Permitted Receipts (Cash Withdrawal)	-	10,99,000	10,99,000
(+) Permitted Receipts (From Parties)	-	24,832	24,832
(-) Permitted Payments	-	6,75,690	6,75,690
(-) Amount deposited in Banks	6,00,000	-	6,00,000
Closing cash in hand as on 30.12.2016	-	8,95,026	8,95,026

Note 17: Short Term Loans and Advances

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Margin Money with Suppliers	-	3,62,000
Advance to Suppliers*	35,13,32,080	8,74,45,530
Advance to Staff	16,70,407	6,16,750
Oriental Insurance company advance	20,452	-
Advance Against Fixed Assets	10,09,000	-
Advance Against Capital Assets**	2,36,47,472	72,49,720
Total	37,76,79,411	9,56,74,000

*Advance to Suppliers includes ₹ 96,50,143 (ninety-six lacs fifty thousand one hundred and forty-three only) to Vikas Multicorp Limited (formerly known as Moonlite Technochem Private Limited) & ₹ 1,69,84,258 (one crore sixty-nine lacs eighty four thousand two hundred and & fifty-eight only) to Vikas Polymers (India) in which Director of Vikas Ecotech Ltd is Partner.

**Advance against Capital Assets includes ₹ 6,22,220 (six lacs twenty-two thousand two hundred and twenty only) to MM Info Systems Private Limited in which Director of Vikas Ecotech Limited is a Director.

Balances with Related Parties

Particulars	As at 31 st March, 2017
Vikas Multicorp Limited	96,50,143
MM Info systems Pvt. Ltd.	6,22,220
Vikas Polymers (India)	1,69,84,258
Total	2,72,56,621

Note 18: Other Current Assets

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Input Credit/Cenvat Credit Receivable	2,63,10,714	44,75,838
TDS/TCS Receivable 2016-2017	5,81,371	4,62,895
Advance Income Tax	2,50,00,000	1,23,50,000
PLA Excise	5,39,788	7,13,693
Receivable from Govt. department	3,83,35,196	4,42,44,533
Interest Receivable	16,63,335	37,04,967
Prepaid Expenses	31,64,503	9,00,546
Others	45,57,891	55,23,459
Total	10,01,52,799	7,23,75,931

Note 19: Revenue From Operations

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Sales of Products	3,71,36,01,413	3,07,15,20,140
Domestic Sales	1,78,29,67,865	1,58,18,13,907
Export Sales	1,93,06,33,548	1,48,97,06,233
Total	3,71,36,01,413	3,07,15,20,140

Sales of Product includes following transactions with the related party.

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Vikas Multicorp Limited	8,98,98,172	8,13,57,063
Vikas Polymers (India)	-	21,37,325

Note 20: Other Income

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Other Operating Income		
Foreign Exchange Fluctuation	53,28,102	58,06,318
Excise Refund	13,39,123	39,94,791
Rebate and Discount	7,13,315	1,38,83,971
Export Incentive	30,79,917	95,70,029
Employee Stock Option reversal	-	1,05,03,337
Profit on Sale of car	8,31,116	-
Other Receipts	-	15,642
Job Work	-	33,500
Other non-Operating income		
Commission & Interest income	42,01,269	33,01,543
Rent on Investment Properties	12,00,000	12,00,000
Total	1,66,92,842	4,83,09,132

Note 21: Cost of Material Consumed

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Inventory at the beginning:		-
Raw Material, WIP and Finished Goods	30,55,60,978	20,85,80,370
	30,55,60,978	20,85,80,370
Add: Purchases		
Raw Material	2,21,95,21,442	1,82,63,72,222
	2,21,95,21,442	1,82,63,72,222
Less: Inventory lost by fire	10,65,49,789	
Less: Inventory at the end		
Raw Material, WIP and Finished Goods	42,33,81,377	30,55,60,978
	42,33,81,377	30,55,60,978
Total	1,99,51,51,255	1,72,93,91,614

Details of Major material consumed

Particulars	Opening Value	Purchases Value	Closing Value	Consumption Value
Raw Material				
Tin Alloy/Ingots	5,69,45,316	23,72,23,486	1,07,367	29,40,61,435
2 Ethylhexyl Thioglycolate	1,37,08,927	5,39,60,070	1,02,70,769	5,73,98,228
Hydrogen Peroxide	38,18,522	-	-	38,18,522
PVC Resin	5,58,89,664	50,81,81,236	13,25,89,518	43,14,81,382
Styrene Butadiene Copolymer	42,31,320	11,71,39,738	18,49,990	11,95,21,068
Styrene Butadiene Styrene	12,83,666	17,39,22,473	1,54,67,027	15,97,39,112
Methyl Chloride (Gas)	10,05,298	43,31,801	4,74,723	48,62,376

Details of Inventory

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Raw Material		
Raw Material, WIP and Finished Goods	42,33,81,377	30,55,60,978
	42,33,81,377	30,55,60,978

Note 22: Purchase Of Traded Goods

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Purchase of Traded goods	76,08,82,265	66,74,28,985
Total	76,08,82,265	66,74,28,985

Purchase of Stock-in-Trade and Raw Material includes following transactions with the related party:

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Vikas Multicorp Ltd.	16,83,52,115	11,29,03,456.61
Vikas Polymers (India)	8,64,23,275	7,40,09,328.00

Note 23: Change In Inventories

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Inventory at the end of the year		
Traded Goods & Real Estate Inventory	2,66,16,539	5,69,11,993
	2,66,16,539	5,69,11,993
Inventory at the beginning of the year		
Traded Goods & Real Estate Inventory	5,69,11,993	3,23,95,814
	5,69,11,993	3,23,95,814
(Increase)/Decrease in Inventory (Traded Goods & Real Estate Inventory)	3,02,95,454	(2,45,16,179)

Note 24: Employee Benefit Expenses

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Salary and Wages		
Salary including Employee Benefits	3,59,96,739	2,59,71,055
Wages including Employee Benefits	1,09,22,044	34,80,934
Contribution of Employer on Provident and other Funds	10,16,985	7,59,666
Staff Welfare expenses	18,10,630	6,09,436
Director Remuneration	28,10,000	22,80,000
Total	5,25,56,398	3,31,01,091

Note 25: Financial Expenses

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Interest		
Interest on Borrowing	8,17,74,856	7,38,11,574
Interest on Long-term Loans from Banks	1,40,44,184	82,29,085
Other Interests	1,72,03,566	16,28,278
Other Financing Charges	1,70,57,847	2,99,58,915
Total	13,00,80,452	11,36,27,852

Note 26: Depreciation & Amortised Expenses

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Depreciation on Tangible Assets	4,26,67,371	3,37,07,715
Amortization on Intangible Assets	-	-
Total	4,26,67,371	3,37,07,715

Note 27: Other Expenses

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(A) Manufacturing and other Direct Expenses		
Custom Duty	72,93,817	1,79,90,356
Freight	2,23,55,594	3,83,92,427
Loading and Unloading expenses	28,87,210	29,14,419
Power and fuel	2,61,02,327	2,23,99,714
Demurrage and Inland Haulage charges	3,49,17,847	3,44,61,471
Consumption of stores and spare parts	54,82,447	43,88,819
Other Direct expenses	79,20,080	1,06,04,798
Total Manufacturing & Other Direct Expenses	10,69,59,320	13,11,52,003
(B) Other Administrative & Selling Expenses		
Legal and Professional charges	1,59,43,627	44,72,701
Expenses on Corporate Social Responsibility	35,30,120	15,00,000
Conveyance expenses	8,58,881	6,90,964
Advertisement and Business promotion	22,15,421	18,21,507
Rent	10,45,031	11,68,647
Electricity expenses	9,19,074	9,84,572
Communication Connectivity expenses	12,85,992	13,17,955
Travelling expenses	77,06,313	40,42,731
Vehicle Running expense	6,13,713	3,67,302
Donation	41,38,600	16,71,800
Repair and Maintenance - Plant and Machinery	18,99,634	5,11,925
Repair and Maintenance - Others	6,54,398	24,20,769
Repair and Maintenance - Building	27,464	79,812
Freight outward	2,74,20,673	41,75,450
Security charges	26,40,883	20,44,765
Rates and Taxes	6,01,998	43,63,915
Insurance expenses	32,20,341	38,92,723
Printing and Stationery	16,32,400	7,32,100
Director Sitting fees	2,80,000	2,23,000
Auditors Remuneration	8,00,000	6,29,750
Rebate and Discount	9,43,083	99,120
Commission paid	4,50,583	9,61,360
Miscellaneous expenses	1,05,836	1,29,597
Other Expenditure	1,29,44,912	66,78,449
Total Indirect Expenses	9,18,78,977	4,49,80,915
Total	19,88,38,297	17,61,32,918

Note 27(a): Other Expenses**Current Tax**

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Current Tax pertaining to Current Year	14,50,00,000	13,51,61,305
Total	14,50,00,000	13,51,61,305

Exceptional Items

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Loss by Fire (Plant and Machinery)	3,97,30,957	-
Loss by Fire (Building)	1,68,27,173	-
Loss by Fire (Stock)	10,65,49,789	-
Total	16,31,07,919	-

Deferred Tax

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Deferred Tax	2,00,82,417	17,83,319
Total	2,00,82,417	17,83,319

Excess/short provision Relating to earlier year Tax

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Short Provision of Tax pertaining to previous years	-	38,46,649
Total	-	38,46,649

Auditor's Remuneration

Amount in ₹

Particulars	As at 31 st March 2017	As at 31 st March 2016
Auditor's Remuneration	8,00,000	6,29,750
Representation and certification services	74,177	3,43,408
Total	8,74,177	9,73,158

Note 28:

The board of directors, subject to approval of the member has recommended dividend of 5% of face value per Equity Share.

Note 29: Commitments

Capital Commitment: There are no any other contracts remaining to be executed on capital account and not provided for as at 31st March, 2017 except the Company has intended to purchase the property for ₹ 8,37,00,000, at New Rohtak road, New Delhi. Company has made the payment of ₹ 2,30,25,252 for the same up to 31st March, 2017, remaining payment and the registration will be done in upcoming years and the same will be registered in the name of the Company after completing all the formalities for taking over the units.

Company has contracted with Smart Roof Solar Solution Pvt. Ltd. for the designed, installed & commissioned Grid Connected Solar Roof Top project for ₹ 2,20,75,000. The company has paid a sum of ₹ 5,00,000 up to 31st March, 2017.

Lease Commitment: The Company has taken various premises on operating leases. The rental of ₹ 10,41,031 (Previous year ₹ 3,55,241) has been charged to Profit and Loss Account for the year ended 31st March 2017. The under lying agreements are executed for a period generally ranging from one year to three years, 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 minimum rental payments to be made in future in respect of these operating leases are as under:

Amount in ₹

Minimum Lease Rentals	As at 31 st March, 2017	As at 31 st March, 2016
Within one year	21,75,185	3,80,441
Later than one year, not later than three years	44,76,404	7,60,882
Total	66,51,589	11,41,323

Note 30:

On 31st March 2017, Company's newly opened Poly Propylene manufacturing plant was destroyed in a fire that engulfed this particular section of company's manufacturing facility in Shahjahanpur, Rajasthan. The damage was limited to only one building that housed the Poly Propylene section and a material warehouse. The company's four other manufacturing units in the same factory Plot are intact and fully operational. No human casualties were reported and all company's employees and workers were safe. In fire the stock amounting to ₹ 10,65,49,789 was destroyed along with the building and Plant & Machinery worth ₹ 1,68,27,173 and ₹ 3,97,30,957 respectively was also destroyed. All the Stocks, Plant & Machineries & Building were fully insured with The Oriental Insurance Company Ltd. and the Company has successfully filed and lodged the claim with the Insurance company.

The management of company has recognised the complete loss during this year under review, as the claim is under process for approval as on date. In accordance with the accounting policies, the company shall account for insurance claims in the year in which the same is approved by the Insurance company and accordingly consider the same as Income in the respective financial year.

Note 31:

There is a Contingent Liability of ₹ 67 Lacs in the form of Bank Guarantee and ₹ 2,736 Lacs in respect of LC and duty saved against Advance License is ₹ 509.54 Lacs. LC Limit was utilized against the Trade Payable outstanding in Note No.9.

Note 32:

Details of pending Litigations are given below:

Nature of Statute	Period to which amount relates	Nature of Dues	Amount (in ₹)	Forum where Dispute is pending
Income Tax Act	2002-03	Income Tax Demand	31,44,000	ITAT, Delhi
Custom Act	2011-12	Custom Duty Demand	5,13,266	Custom Authorities, Rajasthan
VAT	2012-13	VAT Demand	88,000	VAT Authorities, Jammu
VAT		VAT Demand	90,67,107	Special commissioner Deptt. of Trade and Taxes, Rajasthan
Income Tax Act	AY 2012-13	Income Tax Demand	27,64,140	Commissioner of Income Tax Appeal-IX, Delhi
Income Tax Act	AY 2013-14	Income Tax Demand	4,02,480	Commissioner of Income Tax Appeal-IX, Delhi
Excise*		Excise Duty Refund (Sigma Plastic Industries)	31,24,983	CESTET (DELHI)
Excise		Excise Duty Refund	4,09,226	CESTET (DELHI)
Income Tax Act	AY 2014-15	Regular Assessment	22,84,230	Commissioner of Income Tax Appeal-I, Delhi

Company has filed Civil Suit against ADM Agro Industries Kota and Akola Limited, supplier of Soya Bean Oil in the Saket Court, Delhi case No. CS OS No. 198/214 Amounting ₹ 99,61,516 due to poor supply of Soya Bean oil. 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 affected the goodwill of the Company. ADM Agro Industries Kota and Akola Limited has also filed Winding up Petition against Company in High Court case no CO PET No. 64/2014 due to non-payment of ₹ 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. – CS(OS) 3077/2014.

*The Company Vikas Ecotech Limited acquired 100% share in Sigma Plastic Industries, and merged the same in the Vikas Eco Tech Limited in FY 2014-15, by virtue of this, pending litigation of Sigma Plastic Industries has also become part of pending litigation of Vikas Ecotech Limited.

Note 33:

Inventory as stated in Note no. 15 includes Real Estate inventory of ₹ 266.17 Lacs.

Note 34: Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17) Accounting for Segment Reporting issued by The Institute of Chartered Accountants of India.

The Company has determined the following business segments as the primary segments for disclosure:

- 1) Chemical Division
 - a. Manufacturing Division
 - b. Trading Division
- 2) Real Estate Division

The Geographical Segment consists of:

- 1) Domestic (Sales to customers located in India)
- 2) Export (Sales to customers located outside India)

The above business segments have been identified and reported considering:

- 1) The nature of the services
- 2) The related risk and returns
- 3) The internal financial reporting systems

Purchase directly attributable to segments is reported based on items that are individually identifiable to that segment. Common allocable costs are allocated to each segment to that common cost.

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Segment Revenue		
Chemical Division	37,248.93	31,048.29
-Manufacturing	29,155.13	24,175.05
-Trading	8,093.80	6,873.24
Real Estate Division	-	-
Total	37,248.93	31,048.29
Segment Expenditure		
Chemical Division	30,803.91	26,155.19
-Manufacturing	22,797.21	19,543.67
-Trading	8,006.70	6,611.52
Real Estate Division	-	-
Total	30,803.91	26,155.19
Segment Results (Profit before Tax & Interest)		
Chemical Division	6,445.02	4,893.10
-Manufacturing	6,357.91	4,631.38
-Trading	87.11	261.72
Real Estate Division	-	-
Total	6,445.02	4,893.10
Other Income	54.01	150.01
Exceptional items/Prior Period Income/(Expenses)	(0.94)	16.12
Less: Interest	1,300.80	1,133.54
Profit before Tax	5,197.29	3,925.69
Capital Employed		
Chemical Division	13,684.89	7,329.03
Real Estate Division	252.09	266.16
Total	13,936.98	7,595.19
Geographical Revenue		
Domestic Revenue	17,869.10	15,991.36
Export Revenue	19,379.83	15,056.93
Total Revenue	37,248.93	31,048.29

Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis based on their relationship to the operating activities of the segment.

Note 35:

The Company had not received information from suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act 2006" and accordingly no disclosure regarding overdue outstanding of principal amount and interest there on has been given.

Note 36:

In the opinion of the Management of the Company, all current assets, loans and advances appearing in the balance sheet as at 31st March, 2017 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet. Certain balances shown under current assets, current liability, loans and advances and balances with banks are subject to confirmation/reconciliation.

Note 37:

The scheme of amalgamation was filed under section 391 read with section 394 of the companies Act 1956 w.e.f. 1st April, 2007 for the amalgamation of the following three transferor companies a) Hulchul International Private Limited, b) Vikas Utilities Private Limited, c) South Delhi Projects Private Limited, with the transferee company, Vikas Ecotech Limited (formally known as Vikas Globalone Limited). The same had been approved by the High Court wide order no 18457/1 dated 17th October, 2008. The amalgamation has been accounted for the manner specified in the Scheme, the Surplus of ₹ 9,65,934 arising out of amalgamation is shown under the head Capital Reserve Account.

Note 38:

In the opinion of the Management, no provision is required to be made against the recoverability of the balances (referred in Note no. 36) except provided.

Note 39: Employees Benefit Obligation:**I. Defined Contribution Plan**

During the year the Company has recognized the following amount in the statement of profit and loss under Employee benefit expense to provident fund under defined contributions plan of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Employer's contribution to Provident Fund	7,00,621	5,92,175

II. Defined Benefit Plan

Principal actuarial assumptions at the balance sheet date:

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Retirement Age	60	60
Withdrawal Rates:		
Upto 30 Years	3%	3%
31-44 Years	2%	2%
Above 44 Years	1%	1%
Discounting Rate	7.50%	7.80%
Expected rate of increase in salary	6%	6%
Mortality Table	Indian Assured Live Maturity 2006-08	Indian Assured Live Maturity 2006-08

(A) Changes in the Present Value of Obligation:

(Amount in ₹)

Particulars	Gratuity Year Ended 31 st March, 2017	Gratuity Year Ended 31 st March, 2016
Present Value of obligation as at the beginning of the Period	8,91,804	17,04,743
Interest cost	69,511	1,33,253
Current Service cost	5,37,154	2,81,922
Benefits Paid/accrued	-	-
Actuarial (gain)/loss on obligations	13,00,594	(12,28,114)
LC Premium	-	-
Present value of obligation as at the end of the period	27,99,063	8,91,804

(B) Changes in the fair Value of Plan Assets:

Particulars	Gratuity Year Ended 31 st March, 2017	Gratuity Year Ended 31 st March, 2016
Fair Value of Plan Assets as at the beginning	3,86,179	3,55,046
Acquisition Adjustment	-	-
Expected Return on Plan Assets	30,872	31,133
Employer's Contributions	-	-
Employee's Contributions	-	-
Benefits Paid	-	-
Actuarial Gain/(Loss) on the Plan Assets	-	-
Fair Value of Plan Assets as at the end	4,17,051	3,86,179

(C) Reconciliation of Present value of Defined Benefit Obligation and the Fair value of Assets:**Amount in ₹**

Particulars	Gratuity	Gratuity
	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Present Value of obligation as at the end of the period	27,99,063	8,91,804
Fair Value of Plan assets as at end of the period	4,17,051	3,86,179
Un Funded Status	-	-
Unrecognized Actuarial (gains)/losses	-	-
Unfunded Net Assets/(liability) Recognize in Balance sheet	(23,82,012)	(5,05,625)

(D) Expense recognized in the Statement of Profit and Loss:

Particulars	Gratuity	Gratuity
	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Current Service Cost	5,37,154	2,81,922
Past Service Cost	-	-
Interest Cost	69,511	1,33,253
Curtailment Cost	(30,872)	(31,133)
Actuarial (gain)/Loss on obligations	13,00,594	(12,28,114)
Total Expenses recognized in the Statement of Profit & Loss	18,76,387	(8,44,072)

(E) Constitution of Plan Assets-

Movement in the liability recognized in the Balance sheet:

Particulars	For the period Ending	
	31 st March, 2017	31 st March, 2016
Present Value of obligation as at the beginning	8,91,804	17,04,743
Expenses Recognized in statement of Profit and Loss	18,76,387	(8,44,072)
Benefits Paid	-	-
Actual Return on Plan Assets	30,872	31,133
Acquisition Adjustments	-	-
Present Value of Obligation as at the end	27,99,063	8,91,804

The Company has taken Group Gratuity Scheme for the employees from the LIC of India. Total Fund Value of the same is ₹ 4,17,051.

Note 40:

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29. Provisions, Contingent Liabilities and Contingent Assets as not specified under the Companies (Accounting Standards) Rules, 2006, as amended, in respect of any present obligation as a result of past event that could lead to a probable out flow of resources, which would be required to settle the obligation.

Note 41:

Prior Period Items:

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Expenses:		
Legal & Professional charges	27,050	31,390
Provident Fund/ESIC	-	81,069
Conveyance	17,217	-
Agent Fees	7,100	-
Courier expenses	37,783	-
Electricity	56,428	-
Import expenses	2,21,199	-
Telephone and Internet charges	9,088	-
Repair and Maintenance	19,239	-
Water charges	5,460	-
Fee & Filling charges	270	-
Freight charges	1,95,071	1,500
Rent	11,400	-
Custom Duty expenses	-	15,85,313
General expenses	23,347	53,004
Loading Unloading charges	-	78,762
Salary/Personal	-	2,69,616
Export charges	-	13,203
Processing Fee	-	1,03,050
Insurance	-	2,03,030
Staff Welfare	36,786	21,601
Total	6,67,438	24,41,538
LME and Foreign Exchange Difference	-	(18,53,062)
Export Incentive	-	(19,84,449)
Rates and Taxes	(5,72,939)	(2,15,606)
Total	(5,72,939)	(40,53,117)
Prior Period (Income)/Expenses	94,499	(16,11,579)

Note 42:

Disclosure in respect of Accounting Standard (AS) 18 "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006, as amended:

Names of related parties and description of relationship:

NATURE OF RELATIONSHIP	NAME OF PARTY
Company with common Director	Vikas Multicorp Limited (formerly known as Moonlite Technochem Private Limited) MM Info Systems Pvt. Ltd.
Key Management Personnel	Mr. Vikas Garg (Managing Director) Mr. Vivek Garg (Whole Time Director) Mr. Ashutosh Kumar Verma (CEO & Whole-time Director) Mrs. Anjavi Pandya (C.F.O) Mr. Pankaj Gupta (Ex C.F.O) Mr. Siddhartha Agrawal (C.S.)
Relative of Key management Personnel	Mr. Nand Kishore Garg Mrs. Seema Garg Mrs. Shashi Prabha Verma
Other Related Parties	Vikas Polymer (India)

Amount in ₹ lacs

The following transactions were carried out during the year with related parties in the ordinary course of business:

Nature Of Transaction	Company with Common Director	KMP & Relative	Other Related Parties	Total
Sales	898.98	-		898.98
Purchase	1,704.43	-	907.44	2,611.87
Goods in transit	385.42	-	-	385.42
Advance against supplies	96.50	-	169.84	266.34
Advance against Capital Goods	6.22	-	-	6.22
Rent Paid	-	3.70	-	3.70
Director Remuneration	-	28.10	-	28.10
Salary to KMP	-	22.46	-	22.46
Total	3,091.55	54.26	1,077.28	4,223.09

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which there relationship existed.

Note 43:

Earnings per Share:

Basic earnings per share are computed by dividing the net profit/(loss) attributable to equity shareholders, for the year by the weighted average number of equity shares outstanding during the year.

Particulars	As at 31 st March 2017	As at 31 st March 2016
Net Profit/(Loss) after Tax as per Profit & Loss account	23,17,02,762	25,53,42,219
Total No. of Shares Outstanding at the end of the year	27,98,99,675	25,42,39,675
Weighted average no of shares outstanding at the end of the year	25,45,68,649	25,42,39,675
Basic and Diluted Earnings per Share	0.91	1.00
Nominal value per Equity Share	1.00	1.00

Note 44:

Deferred Tax: Incompliance with Accounting Standard 22 (AS22) - Accounting for Taxes on Income, as notified under the Companies (Accounting Standards) Rules, 2006, as amended, the Company has recognized deferred tax Asset (net) in the Profit and Loss account of ₹ 2,00,82,417 (Previous year ₹ 17,83,319) during the year ended 31st March, 2017.

The breakup of Deferred Tax Assets in to major components as at 31st March, 2017 is as under:

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
DEFERRED TAX ASSETS		
Arising on account of temporary differences due to:		
Excess of Book WDV of Fixed Assets over Tax WDV of Fixed Assets	2,17,97,174	17,14,575
Total	2,17,97,174	17,14,575

Note 45:

The company does not see any material foreseeable losses on any long term contracts entered by the company; therefore no provision is required in this respect. Further the Company has not entered in to any foreign exchange derivative instruments during the year under consideration.

Note 46:

The Company commissioned its new unit at Noida (SEZ) for manufacturing of product naming Organotin Heat Stabilisers and PVC Compounds during the 4th Quarter in March, 2017.

Note 47:

Corporate Social Responsibility

The Company is covered u/s 135 of Companies Act 2013, the details of the expenditure on corporate social responsibility activity is as under:

Gross amount required to be spent by the Company during the year: ₹ 32,81,792

Amounts spent during the year: ₹ 35,30,120

Note 48:

Additional information to the extent applicable is as follows:

Managerial remuneration:

Amount in ₹

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Salaries	28,10,000	22,80,000
Employer's Contribution to Provident Fund	-	-
TOTAL	28,10,000	22,80,000

Auditor's Remuneration

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Auditor's Remuneration	8,00,000	6,29,750
Representation and certification services	74,177	3,43,408
Total	8,74,177	9,73,158

Expenses incurred in foreign currency during the year ended 31st March, 2017 aggregates to:

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Purchase	58,70,21,528	31,13,22,520
Foreign Travelling	43,53,461	13,86,738
Buyers Credit charge	35,96,935	15,03,093
Total	59,49,71,924	31,30,58,223

A) CIF value of export (in foreign currency) made during the year included in the sales amounting ₹ 1,86,30,76,248 (Previous Year: ₹ 131,41,36,473)

B) Activity in foreign currency during the year ended 31st March , 2017 aggregates to:

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Expenditures:		
Purchase	58,70,21,528	31,13,22,520
Foreign Travelling	43,53,461	13,86,738
Buyers Credit Charge	35,96,935	15,03,093
TOTAL	59,49,71,924	31,30,58,223
Earnings:		
Sale of Goods	1,86,30,76,248	1,31,41,36,473
TOTAL	1,86,30,76,248	1,31,41,36,473

C) Details of foreign currency fluctuation gain for the year ended March 31, 2017 aggregates to:

Particulars	As at 31 st March, 2017
From:	
Purchase	78,11,284
Sales	76,54,074
Bank A/c	-1,01,37,257
TOTAL	53,28,101

Note 49: Borrowing Cost:

There is no borrowing cost that is attributable to acquisition or development of qualify intangible/intangibles sets, which is to be capitalized till the date they are put to use.

Note 50:

Disclosures as required by Clause 32 of the Listing Agreement

Amount in ₹

Particulars	As at 31st March 2017	As at 31st March 2016
Loans & Advances		
Consumption of Raw Material		
Raw Material Consumed	1,99,51,51,255	1,72,93,91,614
Details of Consumption of Imported and Indigenous Stock		
Imported	1,02,21,96,644	58,62,32,416
Indigenous	97,29,54,611	1,14,31,59,198
Earning in Foreign Exchange		
Sale of Goods	1,86,30,76,248	131,41,36,473

Note 51:

Quantitative Details of Major material consumed in Manufacturing

(in Kgs)

Particulars	Opening Stock	Purchases	Closing Stock	Consumption
Raw Material				
Tin Alloy/Inogts	51,879	1,97,182	93	2,48,969
2 Ethylhexyl Thioglycolate	81,145	3,83,000	74,326	3,89,819
Hydrogen Peroxide	1,03,203	-	-	1,03,203
PVC Resin	9,66,006	81,17,225	17,62,044	73,21,187
Styrene Butadiene Copolymer	48,261	9,78,575	14,201	10,12,635
Styrene Butadiene Styrene	11,726	16,03,468	1,22,796	14,92,398
Methyl Chloride (Gas)	13,469	63,600	7,053	70,016

Quantitative Details of Traded Goods

(in Kgs)

Particulars	Opening Stock	Purchase	Trading Sales	Stock Transfer	Closing Stock
2EHTG	-	16,000	-	16,000	-
Ethylene Propylene Rubber KEP 960N	-	13,920	-	13,920	-
EVA Resin	-	8,70,000	8,70,000	-	-
K-Resin Styrene Butadiene Co-Polymers	-	36,000	-	36,000	-
Plastic Granuals	-	3,16,202	3,16,202	-	-
Plastic Raw Material	-	7,62,000	7,62,000	-	-
PVC Resin	3,40,000	77,77,149	67,12,649	14,04,500	-
SBS Thermoplastic Elastomers	-	11,02,000	10,78,000	24,000	-
STANNANE/DMTDC	-	36,000	36,000	-	-
Synthetic Rubber	-	16,800	-	16,800	-
Tin Ingots	10,020	1,20,111	-	1,30,131	-

For **KSMC And Associates**
Chartered Accountants
(FRN: 003565N)

CA. PRASHANT CHANNA
Partner
Membership No.: 530041

Place: NEW DELHI
Date : May 29, 2017

SIDDHARTH AGRAWAL
(Company Secretary)

For and on behalf of the Board of Directors

VIKAS GARG
(Managing Director)
00255413

ASHUTOSH KUMAR VERMA
(Chief Executive Officer)

SUMER CHAND TAYAL
(Director)
00255661

ANJAVI PANDYA
(Chief Financial Officer)

Notes

[illegible]

Notes

[illegible]



34/1, Vikas House, East Punjabi Bagh,
New Delhi-110026, India
Tel: +91-11-4314 4444
Fax: +91-11-4314 4488
Email: info@vikasecotech.com
Web: www.vikasecotech.com