



**VIKAS ecOTECH LTD.**  
(CIN - L65999DL1984PLC019465)

# ANNUAL REPORT

# 2020-21

36<sup>th</sup> ANNUAL REPORT

# - CONTENTS -

## Corporate Information

General Information	1
---------------------	---

## Notice

Proposed Resolutions	2
Notes	8
Instructions for AGM through VC/OAVM and E-voting	10
Explanatory Statement	13
Brief profile of Directors to be appointed	17

## Statutory Reports and Certificates

Board's Report	18
Conservation of Energy, Technology, Absorption	25
Form AOC -2	26
Disclosure of Managerial Remuneration	27
Management Discussion And Analysis Report	28
Corporate Governance Report	42
Non-Disqualification of Directors Certificate	57
CEO/CFO Certificate & MD's Declaration	58
Secretarial Audit Report	59
Annual Secretarial Compliance Report	63

## Financials

Independent Auditor's Report	65
Balance Sheet	77
Profit & Loss Account	79
Statement of Changes in Equity	80
Cash Flow Statement	81
Notes forming part of Financials	82

## CORPORATE INFORMATION

CHAIRMAN	
Mr. Gyan Prakash Govil, Independent Director	
KEY MANAGERIAL PERSONNEL	
Mr. Vikas Garg	Managing Director
Mr. Suresh Kumar Dhingra	Executive Director
Mr. Dinesh Bhardwaj	Chief Executive Officer
Mr. Amit Dhuria	Chief Financial Officer
Mr. Prashant Sajwani	Company Secretary & Compliance Officer
NON-EXECUTIVE & INDEPENDENT	
Mr. Vivek Garg	Non-Executive Director
Mr. Ravi Kumar Gupta	Independent Director
Ms. Kratika Godika	Independent Director
REGISTERED OFFICE	
Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi-110026. Website : <a href="http://www.vikasecotech.com">www.vikasecotech.com</a>	
STATUTORY AUDITORS	INTERNAL AUDITORS
M/s KSMC & Associates G-5, Vikas Apartments, 34/1 East Punjabi Bagh, New Delhi-110026	M/s Jha Gunjan & Associates S-191, School Block Shakarpur, East Delhi-110092
COST AUDITORS	SECRETARIAL AUDITORS
M/s JSN & Co. E-47A, Qutub Vihar, Phase-1 New Delhi-110071	M/s Kumar G & Co. House No. 37A, First Floor, Block 80, Malviya Nagar, Near Krishna Nagar, Delhi-110017
REGISTRAR & SHARE TRANSFER AGENT	
Alankit Assignments Limited Alankit Heights, 3E/7 Jhandewalan, Extension, New Delhi-110055	
MANUFACTURING PLANTS	
<b>RAJASTHAN</b> G-24-30, and F-7 & F-8, Vigyan Nagar RIICO Industrial Area, Shahjahanpur Dist, Alwar-301706, Rajasthan	<b>NOIDA NSEZ</b> SDF J-06, Noida Phase-II Noida Specific Economic Zone, NSEZ Noida, Distt. Gautam Budh Nagar, Noida
BOARD COMMITTEES & ITS COMPOSITION	
AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Mr. Ravi Kumar Gupta      Chairman	Mr. Ravi Kumar Gupta      Chairman
Mr. Gyan Prakash Govil      Member	Mr. Gyan Prakash Govil      Member
Mr. Vivek Garg      Member	Mr. Vivek Garg      Member
STAKEHOLDERS RELATIONSHIP COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Gyan Prakash Govil      Chairman	Mr. Ravi Kumar Gupta      Chairman
Mr. Vivek Garg      Member	Mr. Gyan Prakash Govil      Member
Mr. Vikas Garg      Member	Mr. Vikas Garg      Member

## **NOTICE**

Notice is hereby given that the 36<sup>TH</sup> Annual General Meeting of the Shareholders of Vikas Ecotech Limited will be held on Monday, 27<sup>th</sup> September, 2021 at 11:30 A.M. through Video Conferencing/ Other Audio Visual Means (OAVM) facility to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2021 including the audited Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss with Cash Flow Statement for the year ended on that date and the reports of the Board of Directors ('the Board') and Auditors' thereon.
2. To appoint a Director in place of Shri. Vikas Garg (DIN: 00255413), Director, who retires by rotation and being eligible, offers himself for reappointment.
3. Re-Appointment of M/S KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) as a Statutory Auditor of the Company

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139 & 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) be and are hereby re-appointed as the Statutory Auditors of the Company for another term of 5 (Five) consecutive financial years commencing from the financial year 2021-22 and shall hold office from the conclusion of this Annual General Meeting till conclusion of the Annual General Meeting to be held during the year 2026 at a remuneration of mutually decided by the Board and the Auditor.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### **SPECIAL BUSINESS**

#### **4. APPROVAL OF REMUNERATION OF COST AUDITOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves the remuneration of Rs. 1,20,000/- per annum plus taxes & reimbursement of out of pocket expenses payable to M/s. JSN & Co., Cost Accountants (Registration No. 455) who was appointed by the Board as a Cost Auditor of the Company to conduct audit of cost records maintained by the Company for Financial year 2021-2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

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

**“RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and reenactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 75,00,00,000/- (Seventy Five Crore) consisting of 75,00,00,000 (Seventy Five Crore) Equity Shares of Re.1/- (Rupee One) each to 100,00,00,000/- (One Hundred Crore) consisting of 100,00,00,000 (One Hundred Crore) Equity Shares of Re.1/- (Rupee One) each.

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

V. *The Authorized Share Capital of the Company is Rs. 100,00,00,000/- (Rupees One Hundred Crore) consisting of 100,00,00,000 (One Hundred Crore) Equity Shares of face value of Re. 1/- (Rupee One) each.*

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

6. **AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules and regulations made thereunder (including the Companies (Incorporation) Rules, 2014, as amended) (collectively referred to as the “Companies Act”), and other applicable laws, if any, consent of members be and is hereby accorded to substitute the existing Article No 5 by the following Article No 5:

5. *Subject to the provisions of the Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or ( subject to the compliance of provisions of Section 53 of the Act) at a discount and at such time as they may from time to time thinks fit and with the sanction of the Company in General Meeting to give any persons or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board of Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid up shares. Without prejudice to the generality of the foregoing, the Director shall also be empowered to issue shares for the purposes of granting stock options to its permanent employees under the terms and conditions of SEBI regulation as amended from time to time. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.*

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the opinion of the Company are liable to be redeemed be redeemed or converted on such terms and in such manner as the Company, before the issue of the Shares may, by special resolution, determine.

**RESOLVED FURTHER THAT**, the Board of Directors and / or Company Secretary of the Company, be and are hereby severally or jointly authorized to execute the Second Amendment Agreement along with proposed amendment in articles of association and to do all such acts, deeds, matters and things including making all necessary filings and intimations to the Registrar of Companies, National Capital Territory of Delhi and Haryana as deemed necessary, proper or desirable in connection with or incidental to give effect to the above resolution (s) (including making any further modifications or alterations to the Second Amendment Agreement), and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interests of the Company to give effect to the above resolution(s).

7. **TO AUTHORIZE CAPITAL RAISING THROUGH RIGHT ISSUE OF EQUITY SHARES**

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

**"RESOLVED THAT** pursuant to the provisions of Sections, 62, and other applicable provisions, if any, of the Companies Act, 2013, and the applicable rules thereunder (the "Companies Act"), the Foreign Exchange Management Act, 1999, as amended and rules and regulations framed thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, as in force, the Securities and Exchange Board of India ("SEBI"), including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), relevant Registrar of Companies, or by any other competent authority, whether in India or abroad, from time to time, to the extent applicable including enabling provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and any other applicable law or regulation, (including any statutory amendment(s) or modification(s) or variation(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to necessary approvals, consents, permissions and/or sanctions of concerned statutory and other authorities and as may be required, and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), be and is hereby authorized on behalf of the Company, to create, offer, issue and allot in one or more tranches, by way of right issue of partly/ fully paid-up equity shares (the "Equity Shares") of the Company having face value of Re. 1 (Rupee One) each up to Rs. 50 Crores inclusive of premium that may be finalized by the Board to the existing shareholders of the Company in the proportion of the existing shareholding.

**RESOLVED FURTHER THAT:**

- a) the offer, issue and allotment of the Equity Shares shall be made at appropriate time or times, as may be approved by the Board subject, however, to applicable laws, guidelines, notifications, rules and regulations; and

- b) the equity shares to be issued by the Company as aforesaid shall rank pari passu with the existing Equity Shares of the Company in all respect, including receipt of dividend that may be declared for the financial year in which the allotment is made in terms of applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** subject to applicable laws, Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing members.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or placement document(s) and/or circular, documents and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India.

**RESOLVED FURTHER THAT**

- i. the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations;
- ii. the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.



**RESOLVED FURTHER THAT** the Board be and is hereby authorized to engage/appoint merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, stabilizing agents, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, contracts/agreements, memoranda, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), as may be required.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby authorized to delegate all or any of its powers herein conferred by this resolution to any Committee of Directors or any one or more executives of the Company to give effect to the above resolutions.”

8. **APPOINTMENT OF MS. KRATIKA GODIKA (DIN: 08825445) AS A DIRECTOR OF COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Kratika Godika (DIN: 08825445), who was appointed as an Additional Director by the Board of Directors on June 4, 2021 in terms of Section 161 of the Companies Act, 2013, and whose appointment as a Director is recommended by Nomination and Compensation Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT**, any of the Directors and/or Company Secretary be and are hereby severally authorized to file necessary returns/forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

9. **APPOINTMENT OF MS. KRATIKA GODIKA (DIN: 08825445) AS AN INDEPENDENT DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Ms. Kratika Godika (DIN: 08825445), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from June 4, 2021 in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent (Non-Executive) Director of the Company for a consecutive period of 5 years w.e.f from June 4, 2021 to June 3, 2026 (both days inclusive), whose office shall not be liable to retire by rotation.



**RESOLVED FURTHER THAT**, any of the Directors and/or Company Secretary be and are hereby severally authorized to file necessary returns/forms with the Registrar of Companies and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

**Vikas Garg  
Managing Director  
DIN: 00255413**

**Place: New Delhi  
Date: August 31, 2021**

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. The deemed venue for thirty-sixth e-AGM shall be the Registered Office of the Company at 34/1, Vikas Apartments, East Punjabi Bagh, Delhi-110026
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.vikasecotech.com](http://www.vikasecotech.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13,2021.

10. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
11. The Register of Members and Share Transfer Books shall remain closed from Tuesday, 21<sup>st</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (Both days inclusive) for the purpose of annual closing and for the 36<sup>th</sup> Annual General Meeting of the Company.
12. The Company has appointed M/s Kumar G & Co., a Practicing Company Secretary, as Scrutinizer to scrutinize the remote e-voting process and through poll at the Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
13. Members are requested to notify immediately about any change in their address / e-mail address / dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agents, M/s Alankit Assignments Limited at their office at 4E/2, Jhandewalan Extension, New Delhi-110005. Members holding Shares of the Company in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agents of the Company to receive all communications including Annual Report and Notice of Meeting(s) by e-mail, by sending appropriate communication on info@alankit.com.
14. A copy of the Financial Statements along with the Auditor's Report, Board's Report, Corporate Governance Report and such other matters necessary for the shareholders is annexed to the notice in the Annual Report.

Electronic copy of the Annual Report for 2020-21 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication. The Annual Report may also be accessed on the Company's Corporate Website [www.vikasecotech.com](http://www.vikasecotech.com)

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 36<sup>th</sup> AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@vikasecotech.com](mailto:cs@vikasecotech.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@vikasecotech.com](mailto:cs@vikasecotech.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system which shall be accessible from any remote location ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

- (i) The voting period begins on **Friday, 24<sup>th</sup> September, 2021 (09.00 a.m.)** and ends on **Sunday, 26<sup>th</sup> September, 2021 (05.00 p.m.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Monday, 20<sup>th</sup> September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

**OR**

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at **www.cdslindia.com** from **Login -Myeasi** using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the **VIKAS ECOTECH LIMITED**
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **info@alankit.com**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **info@alankit.com**

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **cs@vikasecotech.com** and **kumargpankaj@gmail.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com** or contact **Mr. Nitin Kunder (022-23058738)** or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call on 022-23058542/43.

**Explanatory Statement in terms of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****ITEM NO. 3**

In compliance with the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/S KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) had been appointed as the Statutory Auditors of the Company for a term of five years and to hold office from the conclusion of the 36<sup>th</sup> Annual General Meeting and until the conclusion of the 41<sup>th</sup> Annual General Meeting of the Company. The present Statutory Auditors of the Company who have completed a period of 5 years are eligible for re-appointment as Statutory Auditors for a further term of 5 years from the financial year 2021-22 onwards.

Therefore, based on the recommendation of the Audit Committee, the Board of Directors of the Company in their meeting held on 31<sup>st</sup> August 2021 have recommended the re-appointment of M/S KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N), who have given their consent and are eligible to be re-appointed as the Statutory Auditors of the Company for a period of 5 consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of 41<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors proposes to pay remuneration of mutually decided by the Board & the Auditor during the tenure of their appointment. The terms of appointment of the Statutory Auditors will be as specified by the Audit Committee & the Board of Directors of the Company.

The Audit Committee and the Board of Directors of the Company have considered the following credentials of KSMC & Associates, Chartered Accountants, (Firm Registration Number: 003565N) while considering their re-appointment:

- Availability of expertise in Accounting procedures/ processes, Audit, Direct/Indirect Taxation and Corporate Laws.
- Professional integrity, ethics and independence.
- Availability of well trained and experienced professionals.

The Board of Directors of your Company, therefore, recommend the Resolution set out in item No. 3 of this Notice for the approval of the members by way of passing an Ordinary Resolution. None of the Director(s), Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their shareholding.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 4**

The Board of Directors at its Meeting held on 31<sup>st</sup> August 2021, upon the recommendation of the Audit Committee, approved the appointment of M/s. JSN & Co., Cost Accountants (Registration No. 455), to conduct the audit of the Cost records of the Company on a remuneration of Rs. 120,000 per annum (Rupees One Lakh Twenty Thousand only) plus taxes & reimbursement of out of pocket expenses for the financial year ending 31<sup>st</sup> March, 2022.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022, as set out in the item No. 4 of this Notice by means of passing an



Ordinary Resolution for the aforesaid services to be rendered by them.

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

#### **ITEM NO. 5**

The present Authorized Share Capital of the Company is Rs. 75,00,00,000/- (Seventy Five Crore) consisting of Rs. 75,00,00,000 (Seventy Five Crore) Equity Shares of Re.1/- (Rupee One) each.

Considering the further fund requirement of the Company, the Board at its Meeting held on Tuesday, 31<sup>st</sup> August, 2021 proposed to increase its Authorized Share Capital from Rs. 75,00,00,000/- (Seventy Five Crore) to Rs. 1,00,00,00,000/- (Rupees One Hundred Crore) by creation of 25,00,00,000 (Twenty-five Crore) additional equity shares of Re. 1/- (Rupee one) each to facilitate fund raising in future via issuance of equity shares and other convertible securities.

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

The Board of Directors of your Company, therefore, recommend the Resolution set out in item No. 5 of this Notice for the approval of the members by way of passing an Ordinary Resolution. None of the Director(s), Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their shareholding.

#### **ITEM NO.6**

The Board of Directors of your Company, in order to explicitly align the provisions of the Articles of Association with the requirement of the Section 62 of the Companies Act, 2013 in their meeting held on 31<sup>st</sup> August, 2021 decided to substitute the existing Article No. 5 with the new Article No. 5 of the Articles of Association of the Company as set out in the resolution.

A copy of the existing Articles of Association and revised Articles of Association will be made available for inspection at the Registered Office of the Company during the working hours of the Company on any working day up to the date of the annual general meeting.

In terms of Section 14 of the Companies Act, 2013 and rules made thereunder, any amendment in the Articles of Association require members' approvals by means of passing an Ordinary Resolution and accordingly the Board recommends the resolution stated at Item No. 6 for approval of the members of the Company.

None of the Directors, Key Managerial Personnel or the relatives of the aforementioned persons are interested in the said resolution except to the extent of their shareholding interest in the Company.

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

The Board of Directors of your Company, considering the growth and expansion plan of the Company, investment in future operations and for general corporate purpose and to enhance financial resources, including the long-term working capital, explored various options to manage resources more efficiently and decided to raise additional funds aggregating up to Rs. 50 Crores by way of issuance of Securities on a Rights basis. This may also help the Company to improve its balance sheet and credit profile which in turn will improve the capability to obtain credit facilities at better terms and overall reduced cost and accordingly the Board at its meeting held on August 31, 2021, approved the proposal of raising of capital aggregating up to Rs. 50 crores (Rupees Fifty Crores) or its equivalent on right basis, which may be consummated in one or more tranches as may be decided by the Board of Directors or Capital Raising Committee of the Company from time to time.

The Company proposes to utilize the funds raised through the proposed issuance to support growth and expansion and for general corporate purposes.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices as the Board may in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary, considering the prevailing market conditions and in accordance with applicable provisions of law and other relevant factors.

Further, Section 62(1)(a) of the Act provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further partly/fully paid Equity Shares, such further Equity Shares shall be offered to the existing members of such company in the manner laid down therein unless the members by way of a special resolution in a general meeting decide otherwise.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 7 of this Notice, for approval by the members of the Company.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of this resolution to the extent of securities issued/allotted to them or to the companies in which they are directors or members. Save as aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

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

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company Ms. Kratika Godika (Din: 08825445), was appointed as an Additional Director (Independent, Nonexecutive) on the Board of the Company with effect from June 4, 2021. In terms of Section 161 of the Companies Act, 2013, they are eligible to hold office only up to the conclusion of the ensuing Annual General Meeting.

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

The Board of Directors recommended the appointment of Ms. Kratika Godika (DIN: 08825445), who being eligible offered himself for appointment. Every Director has to be appointed by the Company in General Meeting in terms of the provisions of Section 152 of the Companies Act, 2013. Therefore, the Board proposes to obtain the approval of shareholders by way of passing an Ordinary Resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members.

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

#### **ITEM NO. 9**

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Kratika Godika (DIN: 08825445) as Additional Director of the Company with effect from June 4, 2021 in accordance with Section 161 of the Act. She holds office up to the date of the Annual General Meeting of the Company. The Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Non-executive Independent Director.

The Board of Directors recommends appointment of Ms. Kratika Godika (DIN: 08825445) as an Independent (Non-executive) Director of the Company. Mrs. Kratika Godika has given her consent and has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations. In term of Section 149 of the Companies Act, 2013, Ms. Kratika Godika tenure as an Independent (Non-Executive) Director of the Company shall be for a consecutive period of 5 years w.e.f June 4, 2021 to June 3, 2026 (both days inclusive). Brief profile and other details of Ms. Kratika Godika is provided as part of this notice as Annexure A.

The Board of Directors recommends resolution for approval of the members of the Company by way of passing as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mrs. Kratika Godika, to whom the resolution relates, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice, except to the extent of their shareholding, if any.

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

**Vikas Garg  
Managing Director  
DIN: 00255413**

**Place: New Delhi**

**Date: 31<sup>st</sup> August 2021**

**Information of Director seeking appointment/re-appointment under item no. 2, 8 & 9 of the Notice convening 36<sup>th</sup> Annual General Meeting of the Company in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings.**

<b>Name of Director</b>	<b>No. of Shares held</b>	<b>Qualification (Relationship with other Directors)</b>	<b>Nature of Expertise</b>	<b>Name of other Companies in which he/ she holds Directorship</b>
Vikas Garg	44,711	Graduate (Brother of Shri. Vivek Garg, Director)	Rich experience of more than 21 years in line of Polymer compounds and chemicals technology.	Vikas Lifecare Limited
Kratika Godika	NIL	B.COM Graduate and Associate member of The Institute of Company Secretaries of India (not related to any Director of the Company).	She has knowledge and experience in corporate legal & secretarial services.	NIL

## BOARD'S REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company, along with the audited financial statements, for the financial year ended March 31, 2021.

### FINANCIAL PERFORMANCE

The financial performance of the Company for the year 2020-21 is summarized below:

(Rupees in Lacs)

Particulars	2020-21	2019-20
Net Sales /Income from Business Operations	11617.77	19218.85
Other Income	455.74	700.75
<b>Total Income</b>	<b>12073.52</b>	<b>19919.60</b>
Cost of material consumed	10492.12	16391.88
Employee Benefit Expense	240.14	312.78
Financial Costs	1816.22	1940.75
Other Expenses	436.06	1346.29
Profit before Depreciation	<b>(911.03)</b>	<b>(72.10)</b>
Less: Depreciation	396.30	476.80
Add : Exceptional items	-	837.30
<b>Net Profit/Loss Before Tax</b>	<b>(1307.33)</b>	<b>288.39</b>
Less: Current Tax	0.03143	100.40
Less: Previous year adjustment of Income Tax	98.00	89.66
Less: Deferred Tax	29.63	(3.49)
<b>Profit/Loss for the Period</b>	<b>(1435.00)</b>	<b>101.82</b>

The financial statements for the year ended March 31, 2021, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

During the year under review, the Company achieved a turnover of Rs. 11617.77 Lacs as against Rs. 19218.85 Lacs for previous year whereas, the Loss of the Company for the period under review were Rs. (1435.00) Lacs as compared to profit of the company Rs. 101.82 Lacs in the previous year. This happened due to the outburst of the pandemic "COVID-19 which was felt across the economy and the Company faced a disturbance in its business operations, supply chain, demand thereby the sales and profits of the Company declined substantially as against the previous financial year. Though almost the at the beginning of current fiscal, second wave of the Covid-19 pandemic again disturbed the entire business spectrum across the world, however your management is optimistic to back on track in near future and register good volumes with profitability.

### COMPANY OVERVIEW

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

## **CAPITAL STRUCTURE**

### **Share Capital**

The Authorised Share Capital of the Company has increased from Rs. 33,00,00,000 to Rs. 75,00,00,000 by passing special resolution on March 14, 2021 through postal ballot dated February 9, 2021. The Authorized Share Capital of the Company as on March 31, 2021 was Rs. 75,00,00,000 divided into 75,00,00,000 Equity Shares of Re.1 each.

### **Paid-up Share Capital**

As on March 31, 2021, the Issued and Paid up Share Capital of the Company stood at Rs. 27,98,99,675/- divided into 27,98,99,675 Equity shares of face value of Re. 1/- per share.

## **CHANGE IN NAME OF THE COMPANY**

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

## **LISTING OF SECURITIES**

The Equity Shares of your Company are listed and traded at BSE and National Stock Exchange of India Limited.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

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

## **DIVIDEND**

In view of the losses incurred, your Directors do not recommend any dividend for the year under review

## **CORPORATE GOVERNANCE AND ETHICS**

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

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

## **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

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

The said CSR policy of the Company is also available on the Website of the Company at [www.vikasecotech.com](http://www.vikasecotech.com)

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

## **BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **Board of Directors**

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

Presently, the Board comprised of Two Executive Directors and Four Non-Executive Directors, three out of the four Non-Executive Directors were Independent Directors including one woman Director. During the period under review there was no change in the composition of Board of Directors except Mrs. Vibha Mahajan, ceased to be director of the company w.e.f. August 11, 2020 due to expiry of her tenure of appointment and Mrs. Reena Sharma has resigned from the post of Independent Director of the Company w.e.f. January 30, 2021.

Post the period under review, Ms. Kratika Godika (DIN: 08825445) was appointed as Additional Director (Independent, Non- Executive) w.e.f. June 4, 2021 and the Board of Directors of your Company has recommended her appointment as an Independent Director of the Company.

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

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

### **Key Managerial Personnel**

The Board of your Company consisted of the following Key Managerial Personnel (KMP'S) as on the year ended March 31, 2021:

- |      |                         |   |                      |
|------|-------------------------|---|----------------------|
| i.   | Chief Financial Officer | : | Mr. Amit Dhuria      |
| ii.  | Chief Executive Officer | : | Mr. Dinesh Bhardwaj  |
| iii. | Company Secretary       | : | Mr. Prashant Sajwani |

During the financial year under review, Ms. Pooja Vanjani resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. June 1, 2020. Thereafter, Mr. Prashant Sajwani was appointed as the Compliance Officer and Company Secretary of the Company w.e.f. June 1, 2020 and July 31, 2020 respectively.

## **DECLARATION OF INDEPENDENCE**

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

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

## **BOARD COMMITTEES**

In compliance with the requirements of Companies Act, 2013 and Listing Regulations your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. [www.vikasecotech.com](http://www.vikasecotech.com).



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

## **BOARD EVALUATION**

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

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

## **AUDIT AND AUDITORS**

### **Statutory Audit**

M/s KSMC & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 31<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016. Their term of appointment was five years till 36<sup>th</sup> AGM of the Company.

M/s KSMC & Associates, Chartered Accountant, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and being eligible offer himself for re-appointment who shall hold the till conclusion of the 41<sup>th</sup> Annual General Meeting of the Company. Further, they have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

Further, there are no qualifications, reservations or adverse remarks in the Report issued by M/s KSMC & Associates, Statutory Auditors, for the financial year ended 31<sup>st</sup> March, 2021. The Statutory Auditors have also not reported any incident of fraud to the Audit Committee during the year under review. Remarks made in the Auditors' Report are self-explanatory and do not call for any further comments from your Directors.

### **Secretarial Audit and Secretarial Compliance Report**

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

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

There are no qualifications or reservations in the Secretarial Audit Report or in the Annual Secretarial Compliance Report. Further, few comments are self explanatory and does not need any comments from the management.

However, certain remarks have been made by the auditor in the reports to which your management would like to convey its comments and clarification. The following represents the auditor's remark along with comments from management.

Observation: The Company has not given advance notice of 5 days (excluding the date of the intimation and date of the meeting) to the Exchange intimating about the board meeting held on January 23, 2021. Though the Company claimed that notice was shorter by 1 day only due to some technical glitches, BSE and NSE advised the Company to pay a fine of Rs.10,000/- which was subsequently paid.

Our Comment: The Company has paid the fine advised by the Stock Exchanges, within due timeline. Hence, no comment is required.

### **Cost Audit**

As per the extant provisions of Section 148 of the Companies Act, 2013, the cost records for the products requiring cost audit has been maintained by the Company in a timely and proper manner, the same was also made available to the Cost Auditors of the Company for their audit. M/s. JSN & Co., Cost Accountants, were engaged to carry out Audit of Cost Records of the Company during Financial Year 2020-21.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Post the period under review, the Board of Directors in their meeting held on July 7, 2021 allotted 36,38,69,577 Equity Shares of face value of Re. 1 each at a price of Rs. 1.35 per Equity Share on right basis. Consequently, the issued & paid up Capital of the company stands increase from Rs. 27,98,99,675 to Rs. 64,37,69,252. As on signing on this report, the Issued and Paid up Share Capital of the Company stood at Rs. 64,37,69,252 divided into 64,37,69,252 equity shares of face value of Re. 1/- per share.

### **VIGIL MECHANISM**

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

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

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

### **RELATED PARTY TRANSACTIONS**

Your Company follows the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length basis as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. The same is available on the Company's website [www.vikasecotech.com](http://www.vikasecotech.com).

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

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

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

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2021 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- b) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- c) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- d) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- e) the internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **OTHER DISCLOSURES**

#### **Details of Significant and Material Orders passed by the regulators/Courts/Tribunals impacting the Going Concern Status and the Company's Operations in Future**

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

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

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

#### **Secretarial Standards**

During the year under review the Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India.

## Deposits

The Company has neither accepted any deposits during the year under review nor has any outstanding deposits from any of earlier years for repayment.

## Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are forming part of the Annual Report.

## Remuneration Policy

The Company has a remuneration policy which provides for basis for fixation of remuneration of Directors, Key Managerial Personnel and Senior Management Officials of the Company. The remuneration policy of the Company is largely based on factors like hierarchy, industry practices and performance of respective individuals. The policy is available on the website of the Company at [www.vikasecotech.com](http://www.vikasecotech.com).

## Particulars of Loans, Guarantees or Investments

In terms of Section 186 of the Companies Act, 2013, particulars of inter-corporate loans, guarantees and investments are provided in the notes to Financial Statements.

## Annual Return

The Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 of your Company for the financial year under review is available at website of your Company [www.vikasecotech.com](http://www.vikasecotech.com) under the "Investor Zone" section.

## Impact of Covid-19 on Declaration of Results

The financial statements of the Company were approved by the Board of Directors on July 14, 2021 and the same were approved within the time frame which was revised by the Securities and Exchange Board of India (SEBI) due to the pandemic COVID-19. All the figures mentioned in the Annual Report are taken from the financials approved and released in the public domain on such date.

The financial results for the Financial Year as on March 31, 2021 are also available on the website of the Company, [www.vikasecotech.com](http://www.vikasecotech.com)

## GRATITUDE TOWARDS STAKEHOLDERS

The Board expresses its gratitude to all the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company and its sincere appreciation to all the employees for their hard work and commitment, their dedication and competence has ensured that the Company continues to be a significant and leading player in the industry while serving and keeping the interest of its stakeholders and the society at large.

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

**Place: New Delhi**

**Date: 31.08.2021**

**Gyan Prakash Govil**

**(Chairman)**

**DIN: 08477296**

**Vikas Garg**

**(Managing Director)**

**DIN: 00255413**

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION

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

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

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

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

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

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

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

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

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

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

### **TECHNOLOGY ABSORPTION**

#### **1) Efforts made in technology absorption & Benefits derived:**

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

#### **Research & Development (R & D)**

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

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

- 2) **Imported Technology (imported during last 3 years reckoned from beginning of the financial year) None.**
- 3) **Expenditure incurred on Research and Development (R&D)**

The Company has not incurred any expenditure (including capital and revenue expenses) towards Research and Development.

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

During the Financial Year 2020-21, the Company had foreign outgo of Rs. 1.24 Crore.

## FORM NO. AOC -2

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

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

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

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

S. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Terms of the contracts or arrangements or Transaction including the value, if any	Date of approval by the board	Amount paid as advances, if any
1.	Vikas Multicorp Limited	Company with Common Directors	Purchases	N.A.	4,339,934.00	N.A.	N.A.
			Sales	N.A.	224,124,189.00	N.A.	N.A.
2.	Mrs. Seema Garg	Relative of Director	Rent Paid	N.A.	493,056.00	N.A.	N.A.
3.	Mr. Vikas Garg	Managing Director	Remuneration	N.A.	1,125,000.00	N.A.	N.A.
4.	Mr.Suresh Kumar Dhingra	Executive Director	Remuneration	N.A.	431,333.00	N.A.	N.A.
5.	Mr. Dinesh Bhardwaj	Key Managerial Personnel	Remuneration	N.A.	568,150.00	N.A.	N.A.
6.	Mr. Amit Dhuria	Key Managerial Personnel	Remuneration	N.A.	1,563,056.00	N.A.	N.A.
7.	Ms. Pooja Vanjani	Key Managerial Personnel	Remuneration	N.A.	41,250.00	N.A.	N.A.
8.	Mr. Prashant Sajwani	Key Managerial Personnel	Remuneration	N.A.	500,000.00	N.A.	N.A.

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

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

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

**Place: New Delhi  
Date: 31.08.2021**

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

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

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

Name	Designation	Ratio of Remuneration of each Director and KMP to the median remuneration of employees	Percentage Increase in Remuneration*
Vikas Garg	Managing Director	2.38:1	Not Applicable
Suresh Kumar Dhingra	Executive Director	1.07:1	
Amit Dhuria	Chief Financial Officer	3.37:1	
Dinesh Bhardwaj	Chief Executive Officer	1.31:1	
Prashant Sajwani	Company Secretary	1.19:1	

No other directors were paid remuneration during the Financial Year 2020-21

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

There was no increase in the remuneration of employees during the year 2020-21 hence disclosure under this head is not applicable.

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

The number of permanent employees on the rolls of the Company as on March 31, 2021 is 40 across all the locations.

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

Details are not applicable as appointment of Managerial Personnel was effected during the year 2020-21 only, accordingly, there is no reportable increase in remuneration of managerial personnel

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

For and on behalf of Board  
Vikas EcoTech Limited

Gyan Prakash Govil  
(Chairman)  
DIN: 08477296

Vikas Garg  
(Managing Director)  
DIN: 00255413

Place: New Delhi  
Date: 31.08.2021



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Board of Directors is pleased to share the present Management Discussion and Analysis Report based on the business of the company i.e. Polymer Compounds and Specialty Additives along with the Financial Statements for the financial year ended March 31, 2021.

### Global Economic Overview

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Following a short-lived and synchronized collapse, industrial production has returned to pre-pandemic levels. Consumption of contact-intensive services has remained depressed, however, as the reopening of many economies in May–June—which led to a surprise rebound in the third quarter of 2020—also triggered a second wave of infections and further curbs to mobility in the closing months of 2020 (Figure 1).

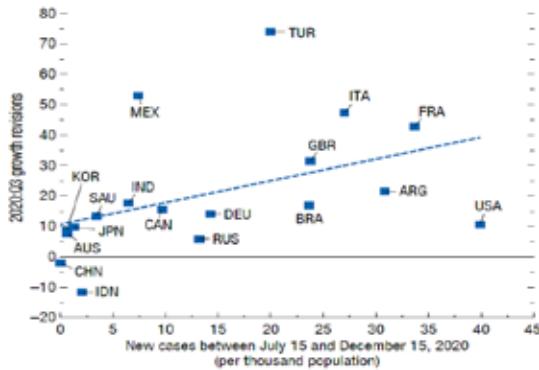


Figure 1 Growth Surprise and Rebound in COVID-19 Cases

Sources: Johns Hopkins University COVID-19 statistics; and IMF staff calculations. Note: Sample is G20 countries. Growth revisions are the difference between 2020:Q3 forecasts as of June 2020 and first estimates published by January 2021. Data labels use International Organization for Standardization (ISO) country codes. G20 = Group of Twenty.

International trade in goods has shown similar patterns (Figure 2). Merchandise trade volumes have returned to pre-pandemic levels. Cross-border trade in services remains subdued.

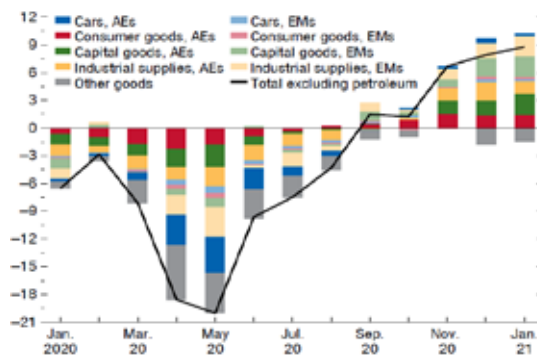


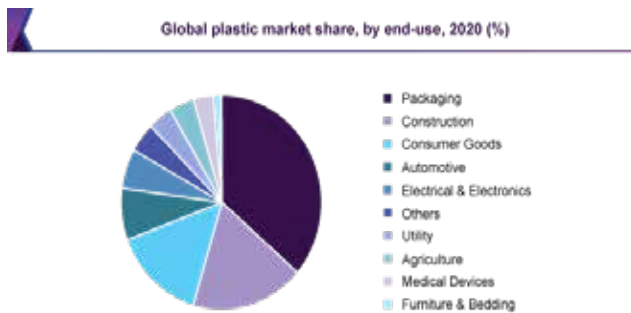
Figure 2 Global Imports: Contributions, by Types of Goods and Regions

Sources: Haver Analytics; and IMF staff calculations. Note: Advanced economies (AEs) comprise Australia, Canada, Denmark, euro area, Hong Kong SAR, Israel, Japan, Korea, New Zealand, Sweden, Taiwan Province of China, United Kingdom, and United States. Emerging market economies (EMs) comprise Argentina, Brazil, Chile, China, Colombia, Hungary, India, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Thailand, and Turkey.

### Global Industry Overview

- For Polymer compounds:**

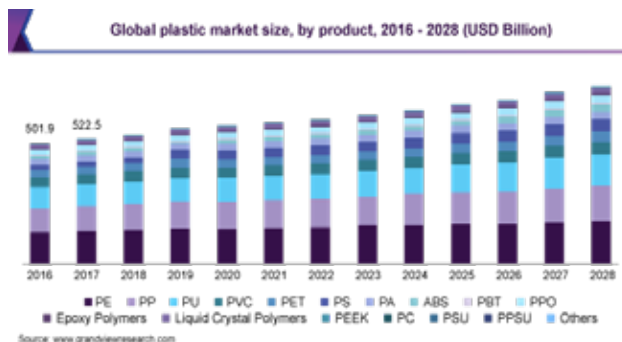
Global Polymers Market size is forecast to reach around \$ 750 billion by 2025, after growing at a CAGR of 5.1% during 2020-2025. Polymer is one of the widely used chemical products in almost all the sectors such a medical, aerospace, packaging, automotive, construction, electrical appliances, and medical sector, and consequently, the global polymers market is thriving. Polymers are used widely as a substitute of metal and mineral based products due to its high performance, cost-effectiveness, and low weight. Increase in the retail sector and prospering e-commerce industry is demanding for more packaging material that is influencing the significance of the polymers market. Whereas, the growing interest in renewable feedstock and biopolymers among the consumers have led to the development of several alternatives to traditional plastics that in turn drives the demand for Polymer during the forecast period.



Source: www.grandviewresearch.com

Figure 3: Global Plastic market share by end-use

The global plastic market size was valued at USD 579.7 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 3.4% from 2021 to 2028. Increasing plastic consumption in the construction, automotive, and electrical & electronics industries is projected to support market growth over the forecast period. Regulations on decreasing the gross vehicle weight to improve fuel efficiency and eventually reduce carbon emissions are driving plastic consumption as a substitute for metals, including aluminum and steel, for the manufacturing of automotive components. The growth of the construction industry in emerging markets, such as Brazil, China, India, and Mexico, has been instrumental in fueling the demand for plastics. The growth of the market can be attributed to increased foreign investment in these domestic construction markets as a result of easing FDI norms and requirements for better public and industrial infrastructure.



Source: www.grandviewresearch.com

Figure 4: Global Plastic market size

- **For Specialty Additives:**

The market generated \$639,935.8 million in 2019, and it is expected to value \$980,423.7 million by 2030. Driving forces such as the widening application base of specialty chemicals, escalating need for an improved crop quality, and rapid industrialization will accelerate the specialty chemicals market growth at a CAGR of 5.5% during the forecast period (2020-2030). Specialty chemicals are used as additives to generate the desired effect in substances and end products. These chemicals have diverse features and are compatible with other chemicals. Geographically, the Asia-Pacific (APAC) specialty chemicals market is expected to hold the largest share during the forecast period. This can be attributed to the soaring demand for these chemicals in the electrical & electronics, pharmaceutical, automotive, agriculture, and personal care & cosmetics industries of India and China. Moreover, the rapid expansion of the construction sector, extensive research and development (R&D) by key market players, increasing installation of water treatment systems, and escalating demand for plastics and adhesives from the packaging sector will fuel the market growth in the coming years.

The Specialty Chemicals Industry is a mature sector. For decades, many industries have utilized specialty chemicals in manufacturing and finishing. Specialty chemicals are produced by a complex, interlinked industry chain and are sold based on their performance or function and composition. These can either be single chemical entities or formulations whose composition directly influences the performance and processing of the consumer's product. Businesses operating in this sector require deep knowledge and the ability to bring about consistent innovations targeting specific roles and purposes. Since specialty chemicals are widely used, changes to industrial and consumer product life cycles and new offerings can create demand for variations.

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

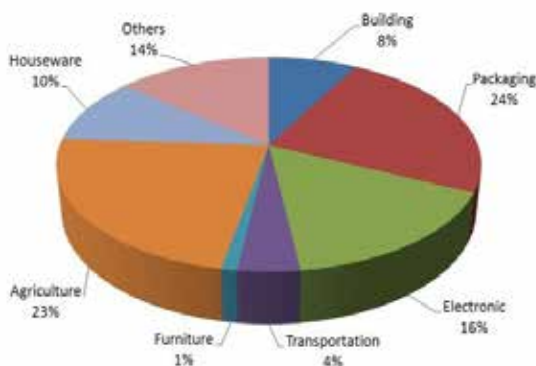
- Polymer and additives
- Colorants and pigments
- Agro-chemicals
- Construction chemicals
- Paints, Coatings and Inks
- Personal care and Cosmetics
- Surfactants
- Textile chemicals
- Water treatment chemicals.

**Indian Industry Overview**

- **For Polymer compounds:**

With the gradual increase in demand for polymers from several manufacturers like electronics, the health care sector, packaging industries, etc. polymers production has become one of the most expanding industries in India. India has become the third-largest market of polymers on a global scale with a hike in GDP, thus constantly adapting to newer methods for the synthesizing polymers. One such reason for the bloom in the industry would be PP, which is widely used in automobile and mechanical industries due to its high mechanical strength and resilience. India is well recognized Plastic hub in the world because of its low cost production. Cheap labor, easy availability and low cost of raw materials and weak currency are the factors that are driving Plastic Industry. India is one of the largest producers of Plastic in the world and is expected to become 3rd largest plastic manufacturer by 2020. Plastic production began in 1957 with production of polystyrene. As of now, there are more than 2000 exporters of plastic in the country and more than 30,000 manufacturing plants are available, most of which are small or medium sized enterprises. Plastic industry gave job to 4 million people in India.

**Plastics Consumption By Application (India)**



Source: British Plastic Federation <https://www.bpf.co.uk/article/the-plastics-industry-in-india-an-overview-446.aspx>

Plastic industry produces many varieties of plastic in the country ranging from raw materials, laminates, plastic-moulded extruded goods, leather cloth and sheeting, polyester films, moulded/soft luggage items, writing instruments, plastic woven sacks and bags, fishnets, polyvinyl chloride (PVC), packaging, consumer goods, sanitary fittings, tarpaulins, electrical accessories, travel ware, laboratory/medical surgical ware and others.

Most of the raw material is manufactured in the country because of which availability of raw material is easy. Low labor cost also strengthens the market. Most of the plastic is exported from India to USA, UAE, Italy, UK, Belgium, Germany, Singapore, Saudi Arabia, China and Hong Kong. These countries contribute to 94% of Indian plastic exports.

- **For Specialty Additives:**

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



Figure: Indian Market for Specialty Additives (USD bn)

Source: FICCI ;Literature Review

The increase in growth rate is expected due to the shift towards environmentally safe, high performance Chemicals additives. Rise in environmental awareness and interventions by governments to promote non-toxic polymer additives are encouraging global Companies to concentrate R&D efforts towards development of environmentally safe additives. Certain segments, such as Phthalate-based plasticizers are facing stringent regulations in developed nations (especially in the European Union) due to their adverse health impacts. The Indian market for polymer additives is very small compared to the global market. The market has grown at a 10% CAGR over 2009-14 (USD 0.27 bn in 2009). Over the next 5 years the market is expected to continue growing at the same rate to reach a market size of USD 0.7 bn in 2019, still constituting only 1.3% of the world market.

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

**Commoditization in the plasticizers segment:** 42% of the Indian market comprises of plasticizers. However, this segment is witnessing commoditization and price competition from unorganised sources, resulting in margin pressures. Major Indian players and MNCs are focusing on value added segments such as heat stabilisers (22% share) and antioxidants (9% share) or specialized applications such as plastics or polymers for automotive coatings, food grade packaging, medical devices / packaging, etc.

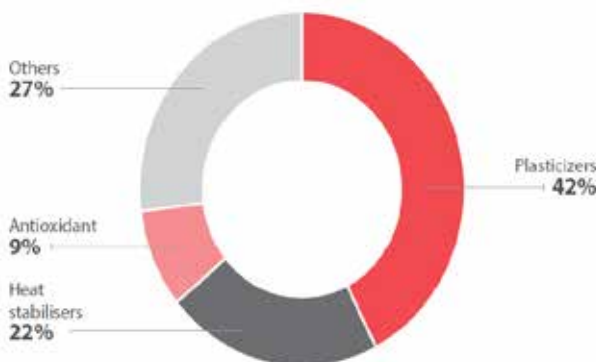


Figure: Indian polymer additives market segmentation

Source: FICCI; Literature review

#### Types of polymer additives:

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

## Indian Economy Overview

After growing at very high rates for years, India's economy had already begun to slow down before the onset of the COVID-19 pandemic. Between FY17 and FY20, growth decelerated from 8.3 percent to 4.0 percent, with weaknesses in the financial sector compounded by a decline in the growth of private consumption. The implementation of a national lockdown on March 24, 2020 (i.e. on the eve of the new FY21 fiscal year), brought economic activity to a halt, affecting both production and consumption. As a result, growth was negative in the first half of the fiscal year (April to September 2020) and only modestly positive in the second half. Over the entire FY21, India's economy is estimated to have contracted by 8.5 percent.

In response to the COVID-19 the Government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound - with a strong base effect materializing in FY22 - and growth is expected to stabilize at around 6-6.5 percent thereafter.

Impact of the lockdown on the Indian chemical industry has been complex and vast across diverse segments that constitute the chemical industry value chain. Several activities across the chain have been the most hit. Acute shortage of labour, reverse migration, non-supply of the raw materials, transportation & logistics and exports were some of the unforeseen challenges that the stakeholders across the value chain witnessed.

Your Company being a producer of specialty chemicals and polymers compounds faced various challenges during the lockdown and had to close down its manufacturing units resulting into a decline in both its turnover and profits. The Company in order to cater to needs of its stakeholders has gradually been opening all the shut manufacturing units to ensure stability in the performance of the organization to slowly overcome that impact caused by the pandemic.

## Company Overview

Vikas Ecotech Limited (VEL) formerly known as Vikas Globalone Limited, is a Delhi based professionally managed listed Company incorporated on 30th November, 1984 under the Companies Act, 1956, having its registered office at Vikas House, 34/1, East Punjabi Bagh, New Delhi-110026. Your company is the amongst the largest manufacturers & distribution of Polymer Compounds and Specialty Chemicals & Additives and one of the major players manufacturing Organotin stabilizer in India. We market our products under well recognized brand names "Tinmate", "Thermate", "Veeprene TPR compound" and "Veeprene TPE compound". Your Company is primarily engaged in the business of Speciality chemicals focused on Speciality Additives and Speciality Polymer Compounds. Our products cater various industries such as agriculture and infrastructure, packaging, organic and inorganic chemicals, electrical, FMCG, footwear, pharmaceuticals, automotive, medical devices and components and other consumer goods. Vikas Ecotech is the only manufacturer of Organotins in India with in-house R&D facilities and is one amongst single digit number of manufacturer worldwide who has technology and expertise for its manufacturing right from tin metal stage to the final product.

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.

## Business Segments

Our business is divided into two major segments which include Speciality Additives & Polymer Compounds.

### Speciality Additives:

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

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

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

➤ **Organotin Stabilizers**

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

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

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

**Salient Features of our Product**

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

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

➤ **Dimethyl Tin Dichloride**

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

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

**Salient Features of our Product**

- High-performance glass coating material
- Catalyst for esterification

➤ **Plasticizers**

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



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

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

**Salient Features of our Product**

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

➤ **Flame Retardants**

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

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

**Specialty Polymer Compounds:**

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

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

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

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

➤ **Thermoplastic Rubber (TPR) Compounds**

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

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

➤ **Thermoplastic Elastomer (TPE) Compounds**

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

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

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

**Tapping Into New Business Ventures:**

Your Company after achieving success in the area of manufacturing of Chemicals i.e. the Specialty Additives and Polymer compounds is now planning to venture and tap into infra products business, API and Pharmaceutical.

Your Company takes pride in informing you that it has already formulated a Committee and has reached to a decision of making an investment for expansion of business and to evaluate identified business proposals and their integration with the company's capabilities and long term objectives.

**Tapping into Newly Ventures infra products business:**

➤ **The Steel Pipe Fittings Manufacturing:**

The Company has finalized the location for the Steel Pipe Fittings Manufacturing unit at Prakash Industrial Estate, District Ghaziabad, Uttar Pradesh. The technical team has completed the process of studying and designing the manufacturing process with completing the blueprint of the manufacturing plant and finalized the equipment and started the process for ordering the equipment as required. These Steel Pipe Fittings will be supplied majorly to the Public Health Engineering Department Projects, across 5 states to begin with including Haryana, Punjab, Uttar Pradesh, Rajasthan & Madhya Pradesh. A Capex of around 70 Million and a provision for about 90 Million has been assigned towards working capital requirements for this project. These funds will be sourced completely from internal accruals.

**Features & Applications of Steel pipe fittings:**

Galvanization provides resistance to mechanical damage, because of which galvanized steel tubes are used in many industrial applications for the conveyance of liquid, air, and gas. Galvanized steel tube products offer high strength, formability, and recyclability. For instance, in the automobile industry, galvanized high-strength steel tubes are used in the manufacturing of axle shafts, steering components, construction parts of chassis, and seat construction. They also improve the safety performance of the vehicle, which is one of the primary requirements of modern automobiles. Thus, the rising demand for galvanized steel pipes in industrial applications is likely to drive the growth of the galvanized steel tubes market in India.

**Market Potential:**

There is a substantial market for steel pipe fitting i.e. GI pipe fittings all over the country and abroad because of the increasing demand by chemical and process industries, fertilizer units, petrochemical industries, ship-building and repair, oil installations etc. Galvanized Iron (GI) products suitable for industrial and agricultural usage. Crack-resistant and sturdy, it is made of round, square, and rectangular GI tubes that are used for structural applications in high humid regions. They work well for the Greenhouse structure and agricultural system for pumping water and irrigation.

GI pipe fittings have an edge over welded pipe fittings, since there is no welding joint leading to nil losses in transmission lines as well as leakage losses and hence maintenance costs are lower. There is a vast scope for setting up such units. The item has also a good export potential. The rapid growth in industrialization and development in India is the key demand driver for the galvanized steel tube products. The increasing and expanding process industries such as food and beverage, paper and pulp, and chemicals are also propelling the growth of the galvanized steel tubes market in India. The consumption per capita is likely to increase due to the rising infrastructure and construction projects in roads, highway, and railways coupled with the swift growth in several industrial sectors.

India Galvanized Steel Tubes Market is expected to grow at 6.13% CAGR during the period 2017-2021. The galvanized steel tubes market in India is witnessing considerable growth in the process industries. The increase in the number of investments is boosting the industrial growth of the country, which is likely to drive the market. The galvanized steel tubes market in India will grow at

a CAGR (compound annual growth rate) of more than 6% during the forecast period, according to the latest report. The irrigation, process, plumbing, and construction industries are the key end-user segments of galvanized steel tubes. The rapid growth in industrialization and development in India is the key demand driver for the galvanized steel tube products. The consumption per capita is likely to increase due to the rising infrastructure and construction projects in roads, highway, and railways, coupled with the swift growth in several industrial sectors. The continuously growing economy of India and industrial growth are expected to drive the market during the forecast period.

➤ **The Gas Pipes Manufacturing:**

The civil work has begun to erect the structure for housing the manufacturing facility at Shahjahanpur, Rajasthan. The civil work will be completed by 31 December, 2021 and the machines will be commissioned in Q4 FY 22. The Company targets to start pitching for various tenders and contracts with IGL & GAIL projects by January, 2022. This project will be provided a Capex of around 60 Million and a provision for about 120 Million has been assigned towards working capital requirements. These funds will again be sourced completely from internal accruals.

Due to inherent characteristics of MDPE (GAS PIPE) such as corrosion, resistance, flexibility, crack resistance and toughness, MDPE (GAS PIPE) pipes are used widely in the gas distribution system all over the world, including India.

Medium Density Polyethylene (MDPE) Pipes are manufactured all over the world by extrusion technique. Sizing methods still vary but the trend is the pressure sizing i.e. introducing air at the pressure of about 0.8 kg/cm<sup>2</sup> to 1 kg/cm<sup>2</sup> through one of the spider legs of the dies. MDPE Pipes are generally manufactured on single screw extruder.

MDPE Pipes find application in a variety of fields in India and abroad. The most important Features & applications are as follows:

**Features:**

- Flexibility : Easy to handle & coil.
- Corrosion resistance : Tough and highly reliable in aggressive soils.
- Fusion joined : High integrity and reliability.
- Light weight : Weighs lesser as compared to the metallic pipes.
- Crack resistance : Excellent resistance to subsidence, traffic vibrations, point loading and marshy ground.
- Homogenous : Joints are free from leaks
- UV stability : Adequate resistance to UV rays
- Installation : Low installation cost.
- Earth quack resistance

**Application:**

- Drinking water supply line
- Water lines in hilly areas. Here the property of flexibility of MDPE is exploited to the fullest extent
- Irrigation lines
- Industrial effluent disposal lines
- Sewage and gas lines
- Fuel gas line
- Mining Industry

**Market Potential:**

There is a large market and very good scope envisaged for MDPE Pipes in the near future. Though some units are already in the line, there is good demand with the increase in housing/building activities spreading in rural and urban areas. Number of Chemical and Petrochemical plants are also being set up.

Therefore, the demand for MDPE Pipes is also likely to rise. One of the important applications is gas pipe line. It has advantage over PVC pipe because it is unaffected even by temperature as high as 80 degree C and is inert to almost all chemicals. These pipes are also used in the effluent treatment plants and line.

Medium Density Polyethylene (MDPE) Market size was valued at approximately USD 60 billion in 2015 with gains of over 4% CAGR between 2016 and 2024. The Global MDPE Pipes Market is expected to reach US\$ 19.7 Bn by 2024, expanding at a CAGR of 4.7% during the forecast period 2016 to 2024. MDPE pipes market is to witness substantial growth with increasing application for the MDPE pipes in various end use industries.

**API and Pharmaceutical:**

**Market Potential:**

Indian pharmaceutical sector is expected to grow to US\$ 100 billion, while medical device market is expected to grow US\$ 25 billion by 2025. Pharmaceuticals export from India stood at US\$ 20.70 billion in FY20. Pharmaceutical export include bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical. India’s domestic pharmaceutical market turnover reached Rs 1.4 lakh crore (US\$ 20.03 billion) in 2019, up 9.8 per cent y-o-y from Rs 129,015 crore (US\$ 18.12 billion) in 2018. The Indian pharmaceuticals market is the third largest in terms of volume and the 13th largest in terms of value. A large raw material base and the availability of skilled workforce give the industry a definite competitive advantage. The Indian pharmaceutical industry is expected to grow at a compound annual growth rate (CAGR) of 22.4 per cent to touch US\$ 55 billion by 2020.

**End use of our products & markets captured**

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

## Impact of COVID-19

Apart from the human toll, the coronavirus pandemic is also affecting the global economy and the chemical industry is no exception. Global chemical production witnessed a decline of nearly 3% in March. The reasons behind this reduction are raw material and labour shortages as well as government-mandated plant shutdowns. Among the different categories in the chemical industry, the specialty chemicals sector observed disruptions and production declines since February 2020. The most severe effects were felt in March, when global specialty chemicals production fell by more than 6%.

### Uneven Demand across Segments

Specialty chemicals have myriad uses across a broad range of industries, such as polymers and plastics, adhesives, paints and coatings, lubricants, cleaning materials and many more. Any disruption in this industry has a cascading effect on various other sectors that are dependent on specialty chemicals. Uneven demand has been observed for specialty chemicals across different segments since the outbreak. While demand for specialty chemicals in the paints and coatings industry has gone down drastically, its requirement in the manufacture of pharmaceuticals, cleaning agents, detergents, flavours and fragrances, and plastics has either gone up or remained stable. The paints and coatings industry was hit severely as its two major end-use sectors, construction and automotive, have witnessed a significant slump in demand.

### The Impact on Specialty Chemicals Manufacturers

Despite the disruptive 4th quarter, it is further expected for the specialty chemical industry, most of the impact will be felt by the specialty chemical manufacturers in Q1 of 2021 rather than in Q4 of 2020. Specialty chemical manufacturers are most likely to fulfil their existing order commitments by the end of 2020, once factories reopen and supply chains become more fluid. The time taken and extent of the recovery will depend on how early lockdowns are lifted in various parts of the world and how fast the world can recover from the pandemic.

### The Impact on the Company

The Company's manufacturing facilities remained closed from March 22, 2020, due to lockdown. The Company after obtaining necessary approvals from regulators and authorities resumed few of its operations at its plant situated at G-24 to 30, F-7, F-8, Vigyan Nagar, RIICO Industrial Area, Shahjahanpur, Alwar, Rajasthan – 301706 w.e.f. April 11, 2020, however, the Company has been struggling to grab the pace in terms of its operations and performance post the opening of operational plants.

In view of prevailing COVID-19 situation the Company's revenue for 1st quarter of FY 2020-21 has got impacted, therefore, now the management is under process of revising its budgets and estimations. As the business situation is very dynamic, the Company is closely monitoring it and hope the same could normalize by the end of 3rd quarter. In view of lock down previously imposed, the profitability during 1st quarter (April to June) has got adversely impacted, as crashing of raw material price lead to inventory loss, the labour was not available for processing and the demand from the customers was negligible and the exports were NIL during the initial stage of resuming the work at factory. However, the management is of the view that business situation would normalise by the end of the 3rd quarter of the current fiscal.

The Company has been trying to take utmost care of its staff and work force like sanitization of premises, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene etc. Supply chain including logistics is being monitored to ensure availability and dispatch of stocks. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.

### Financial Performance

The financials of the Company are as on 31st March, 2021 in comparison with the figures at 31st March, 2020 and the key financial indicators are discussed as under:

#### Net Worth

The Company's net worth viz. paid up share capital, general reserves and retained earnings stood at Rs. 128.64 Crore in comparison with previous year figure being Rs. 142.99 Crore, thus showing a marginal increase in the retained earnings of the Company. Details of the same are provided in notes to financial statements.

## **Borrowings**

The Company's total borrowings aggregated to Rs. 144.57 Crore comprising of non-current borrowings of Rs. 5.36 Crore and current borrowings of Rs. 139.21 Crore in comparison to the previous year figures being 144.13 Crore. The Company has thus reduced its financial liabilities depicting a healthier debt equity ratio for the year ended 31st March, 2021.

The details of borrowings is with notes to financial statements. The debt - equity ratio of the Company as on 31st March, 2021 was 1.12.3 as compared to 1.08.1 in previous year.

### **Trade Receivables & Trade Payables**

Trade receivables at the end of financial year was 86.38 Crore as compared to Rs. 108.02 Crore last year and trade payables aggregated to Rs. 36.77 Crore as compared to Rs. 25.64 Crore in the previous year, as further detailed in notes to financial statements.

## **Current Assets & Current Liabilities**

The Current Assets of the Company stood at Rs. 276.18 Crore as compared to Rs. 294.91 Crore in the previous year

Whereas the current liabilities aggregated to Rs. 191.42 Crore as compared to Rs. 197.82 Crore in the previous year. The Current Ratio of the Company as at 31st March, 2021 was 1.44.2 as compared to 1.49.1, thus indicating a stronger

Current ratio during the period under review.

## **Earnings per Share**

The basic and diluted Earnings per Share (EPS) as at the end of financial year was 0.051.

## **Research And Development**

Vikas Ecotech Limited is in the domain of producing chemical industry, as vast as the chemical industry is spreaded, the greater is the need to continuously work on the Research and Development aspect of the sector. The Company is well aware of the only improvisation and the product quality is the vital for the growth and sustainability of the Company.

R&D is one of the driving forces for expansion in the company. Research and development is one of our key strengths and is integral to our growth. We continue to build on our capabilities and competencies in the field of chemistry. Our in-depth expertise in process research, process development and analytical references enables us to provide integrated solutions to our global customers.

## **Environmental Health and Safety**

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

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

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

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

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

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

### **Human Resources**

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

### **Disclaimer**

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



## CORPORATE GOVERNANCE REPORT

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

Guided by our core values; Responsibility, Integrity, Innovation and customer delight, your Company governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities.

Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors ("**Board**") and of senior management and their relationships with others in the corporate structure.

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

### 2) BOARD OF DIRECTORS

As on 31<sup>st</sup> March, 2021, the Board comprised of Two Executive Directors and Three Non-Executive Directors, two out of three Non-Executive Directors were Independent Directors.

The composition of Directors as on March 31, 2021 is set out in the table below:

DIN	Name of Directors	Designation
00255413	Vikas Garg	Executive Director, MD
00255443	Vivek Garg	Non-Executive - Non Independent Director
08477296	Gyan Prakash Govil	Non-Executive Independent Director, Chairperson
01018072	Ravi Kumar Gupta	Non-Executive - Independent Director
03513272	Suresh Kumar Dhingra	Executive Director

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

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

#### a) Appointment of Directors

As on date of this report, your Board comprised of Six Directors of whom two are executive, one is non-executive and three are Independent Directors including one women Director and Chairman of the Company.

Reena Sharma has resigned from the post of Independent Director of the Company w.e.f. January 30, 2021.

Thereafter, Ms. Kratika Godika (DIN: 08825445) was appointed as Additional Director (Independent, Non- Executive) w.e.f. June 4, 2021.

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of consecutive five years each and shall not be liable to retire by rotation.



Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors is consistent with the requirements of the Companies Act, 2013 and the Listing Regulations. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

The composition of the Board of the Company is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Section 149 of the Companies Act, 2013 ("the Act"). As on March 31, 2021,

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

## BOARD MEETINGS

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

During the year, The Board duly met 7(Seven) times during the year on, May 11, 2020, June 1, 2020, July 31, 2020, August 25, 2020, November 3, 2020, January 23, 2021 and February 9, 2021 and the maximum interval between any two meetings did not exceed 120 days.

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

The number of Directorship(s)/Committee Membership(s)/Chairmanship(s) of all Directors are within respective limits prescribed under the SEBI Listing Regulations and the Act.As on March 31, 2021, the details are as follows:

Name of Directors	Designation Category	Attendance Particulars		No. of other directorships and Committee memberships/chairmanships**			Directorship in other listed entities	No. of Shares held by directors
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships		
Vikas Garg	Managing Director	7	No	1	2	0	1	44,711
Vivek Garg	Non-Executive-Non Independent Director	7	No	5	3	0	1	21,550
Gyan Prakash Govil	Non-Executive-Independent Director and Chairperson	7	Yes	0	4	1	0	-
Ravi Kumar Gupta	Non-Executive - Independent Director	7	Yes	0	3	3	0	-
Reena Sharma	Non-Executive - Independent Director	6	Yes		0	0	0	-
Suresh Kumar Dhingra	Executive Director	7	Yes	0	0	0	0	-

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

Excludes Directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 and only two Committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

### **BOARD PROCEDURE**

#### **Information Flow to the Board Members**

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

As a system, in most cases, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board Members are taken and considered while preparation of agenda and documents for the Board meeting.

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

#### **INDEPENDENT DIRECTORS**

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

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

## **Familiarization Programmed for Independent Directors**

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

## **Independent Directors' Meeting**

A separate meeting of the Independent Directors was held on January 12, 2021 without the presence of Executive Directors or non-independent Directors and members of the management.

## **BOARD COMMITTEES**

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

During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered. There were four sub-committees of the Board as at March 31, 2021.

## **COMMITTEES OF BOARD OF DIRECTORS**

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

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

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

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

### **1) AUDIT COMMITTEE**

#### **Composition, Name of Members and Chairperson:**

The Audit Committee during the year 2020-21 comprised of three members, all are independent Directors including the Chairman. The Chairman of the Committee is an experienced Chartered Accountant and has an expertise in financial matters. All other members of the Committee are also financially literate. During the year under review, the Audit Committee met three (3) times on July 31, 2020, November 3, 2020, January 23, 2021 and with necessary quorum being present at all the meetings:

The constitution of Committee as on March 31, 2021 and details of attendance of members is as under:

<b>Name of Member</b>	<b>Category</b>	<b>Designation</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Mr. Ravi Kumar Gupta	Non-Executive - Independent Director	Chairman	3	3
Mr. Gyan Prakash Govil	Non-Executive - Independent Director	Member	3	3
Mr. Vivek Garg	Non-Executive Non-Independent Director	Member	3	3

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

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

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

The Chairman of the Audit Committee was present at the Annual General Meeting held on September 29, 2020. All members of the Audit Committee are Independent Directors and financially literate. Statutory Auditors as well as Internal Auditors are invited and attend meetings of the Audit Committee and periodic presentations are also made to the Audit Committee on various issues.

## 2) **NOMINATION AND REMUNERATION COMMITTEE**

**Composition, Name of Members and Chairperson:**

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

The Nomination and Remuneration Committee met two times during the financial year 2020-21 on July 31, 2020 and January 30, 2021. The constitution of Committee as on March 31, 2021 and details of attendance of members is as under:

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

**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 Directors, Key Managerial Personnel and Senior Management Officials as well as their nomination and appointment. The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and The Listing Regulations.

**Policy for Selection and Appointment of Directors and their Remuneration**

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

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

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

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

**Criteria of Making Payments to Non-Executive Directors**

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

No other form of remuneration is paid to Non-Executive Directors either by way of commission or otherwise.

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

## 2) **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

### **Composition of the Committee:**

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

The Stakeholders Relationship Committee met once during the financial year 2020-21 on January 27, 2021. The constitution of Committee as on March 31, 2021 and details of attendance of members is as under:

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

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

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

Board considered and approved the appointment of Mr. Prashant Sajwani as the Compliance Officer and the Company Secretary of the Company w.e.f June 1, 2020 and July 31, 2020 respectively.

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

During the year under review, 5 complaints, was received by the Company and it was resolved to the satisfaction of the person concerned.

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

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

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

As at March 31, 2021 no concern or complaint was left unresolved.

## 2) **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 Committee as on March 31, 2021 comprises of 3 (Three) members. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee.

The Composition of Corporate Social Responsibility Committee is given below:

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

### 3) 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 approved by the Board.

The Committee comprises 2 (Two) Executive Directors and 1(One) Non-Executive director. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31st March, 2021, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Mr. Vikas Garg	Chairman	6	6
Mr. Suresh Kumar Dhingra	Member	6	6
Mr. Vivek Garg	Member	6	6

## GOVERNANCE THROUGH MANAGEMENT PROCESS

### Code of Conduct

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

A declaration by the Chairman & Managing Director confirming that all the Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2021 is annexed at the end of this report.

### Code for Prevention of Insider Trading

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

### Policy for Preservation of Documents

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

## **DISCLOSURES**

### **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the year.**

The Company has not given advance notice of 5 days (excluding the date of the intimation and date of the meeting) to the Exchange intimating about the board meeting held on January 23, 2021. Though the Company claimed that notice was shorter by 1 day only due to some technical glitches, BSE and NSE advised the Company to pay a fine of Rs. 10,000/- which was subsequently paid.

### **Disclosure of Materially Significant Related Party Transactions**

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

### **Whistle Blower Policy**

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

### **Plant Location & Address for Correspondence**

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

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

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

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

The total fees paid to Company's Auditors M/s. KSMC & Associates, Statutory Auditor by the Company for the as on the Financial Year 31<sup>st</sup> March, 2021 is Rs. 10,15,000.

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

During the financial year ended 31<sup>st</sup> March, 2021, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **CEO / CFO certification**

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

### **Compliance with mandatory Requirements**

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



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

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

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

**1. Chairman**

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

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

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

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

There is no modified opinion(s) in the Auditors Report for the financial year 2020-21 issued by the Auditors of the Company.

**4. Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

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

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

### **GENERAL SHAREHOLDER INFORMATION**

Date, Time and Venue of Shareholder's Meeting	Meeting: Annual General Meeting Day & Date : Monday, September 27, 2021 Deemed Venue: 34/1, East Punjabi Bagh, New Delhi-110026
Financial Year	2020-21
Registered office	Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi-110026 Tel: 011-43144444, Website: www.vikasecotech.com
CIN	L65999DL1984PLC019465
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400007 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 2019-20 have been duly paid by the Company.
Scrip Code	BSE (530961) NSE (VIKASECO)
ISIN	INE806A01020

Registrar and Share Transfer Agent	Alankit Assignments Limited 4E/2, Jhandewalan Extension, New Delhi-110055 Tel. No. 011-42541234, 23541234 Email: info@alankit.com, rta@alankit.com , website: www.alankit.com
------------------------------------	--

## 1) GENERAL BODY MEETINGS

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

Financial year Day and Date	Time	Venue	Special Resolution Passed
FY 17-18 (AGM) September 28, 2018	11.30 A.M	Haryana, Maitri Bhawan, Pitampura, New Delhi-110034	None
FY 18-19 (AGM) September 30, 2019	11.30 A.M	Haryana Maitri Bhawan, Pitampura, New Delhi-110034	None
FY 19-20 (AGM) September 29, 2020	11.30 A.M	through Video Conferencing/ Other Audio Visual Means (OAVM) facility	Following Special Resolutions were passed: 1. Members approval for borrowing under Section 180 (1) (c) of the Companies Act, 2013 2. Members approval for securing the borrowings of the Company under Section 180(1)(a) of the Companies, Act, 2013 3. Members approval to make loan and investment exceeding the ceiling prescribed under Section 186 of the Companies, Act, 2013 4. Members approval for giving loan and guarantee or providing security in connection with loan availed by any specified person under Section 185 of the Companies, Act, 2013 5. Members' approval for Related Party Transactions under section 188 of the Companies Act, 2013.

### POSTAL BALLOT:

During the period under review, the following resolutions were passed through postal ballot on June 13, 2020 for the following purpose:

S.No.	Descriptions
1	Issuance of fully convertible warrants on preferential basis to the promoter/ person belonging to promoter group
2	Increase in Authorized Share Capital of the Company
3	Alteration of existing Clause V of the Memorandum of Association of the Company
4	Increase in the total shareholding limits for all Foreign Institutional Investors ('FIIs') Including their Sub-Accounts, if any

Post the period under review, the following resolutions were passed through postal ballot on March 14, 2021 for the following purpose:

S.No.	Descriptions
1	To increase in authorized share capital of the company and consequent alteration in capital clause of the Memorandum of Association of the company.
2	To Authorize Capital raising through Issuance of Equity Shares or Other Convertible Securities.

The details of such postal ballot was intimated to the stock exchanges along with the scrutinizers report on the same day dispatching of notice and declaration of postal ballot results respectively.

## 2) MEANS OF COMMUNICATION

### a) Quarterly Results:

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

### b) Newspapers wherein results normally published:

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

### c) Website, where Displayed:

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

### d) Official news releases:

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

## SHARE TRANSFER SYSTEM

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

## DEMATERIALIZATION OF SHARES & LIQUIDITY

As on March 31, 2021, the entire shareholding of the promoters were held in dematerialized form, further, 99.03% of the total equity shares from the Category other than promoters were held in dematerialized form.

### RECONCILIATION OF SHARE CAPITAL AS ON MARCH 31, 2021

SEGMENTS	HOLDINGS	% OF HOLDINGS
CDSL	15,04,42,380	53.75
NSDL	12,70,02,904	45.37
PHYSICAL	24,54,391	0.88
<b>TOTAL HOLDINGS</b>	<b>27,98,99,675</b>	<b>100.00</b>

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

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

#### Stock trading details on NSE

NSE Scrip Code: VIKASECO

For the period: April, 2020-March, 2021

Month	Open	High	Low	Close	Total traded Volume (in Lakhs)	Turnover (in Rupees Lakhs)
April'20	1.15	1.75	0.95	1.75	63.78	68.06
May'20	1.80	3.60	1.80	3.60	62.67	166.41
June'20	3.75	5.55	3.75	4.35	219.12	1001.06
July'20	4.45	7.20	3.65	6.60	202.06	966.75
Aug'20	6.30	11.40	6.30	9.30	177.96	1770.52
Sep'20	8.85	8.85	5.25	5.50	103.90	664.33
Oct'20	5.25	5.65	4.05	4.95	45.73	217.28
Nov'20	5.10	6.40	4.45	5.20	617.74	3374.86
Dec'20	5.20	5.40	3.80	3.95	673.68	2958.46
Jan'21	3.95	4.40	2.85	2.85	1530.65	5810.38

Feb'21	2.75	2.90	2.25	2.60	511.44	1354.00
March'21	2.70	2.90	2.10	2.25	687.51	1714.10

**Stock trading details on BSE**
**BSE Scrip Code: 530961**
**For the period: April, 2020-March, 2021**

Month	Open	High	Low	Close	Total traded Volume (in Lakhs)	Turnover (in Rupees Lakhs)
April'20	1.10	2.04	0.96	2.04	41.58	63.06
May'20	2.14	3.87	2.13	3.87	73.60	205.51
June'20	4.06	5.70	4.05	4.39	141.95	663.20
July'20	4.21	7.54	3.68	6.84	165.11	962.99
Aug'20	6.50	11.59	6.50	9.18	376.92	3650.28
Sep'20	8.73	8.73	5.06	5.51	35.31	216.11
Oct'20	5.51	5.69	3.99	4.90	22.28	105.85
Nov'20	5.09	6.45	4.42	5.20	187.62	1088.23
Dec'20	5.05	5.40	3.79	3.96	170.35	753.80
Jan'21	3.96	4.40	2.79	2.80	338.17	1213.41
Feb'21	2.87	2.89	2.24	2.65	185.39	486.40
March'21	2.76	2.92	2.10	2.27	183.00	461.67

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

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021**
**A. DISTRIBUTION OF SHAREHOLDING**

The shareholding distribution of equity shares as on March 31, 2021 is given hereunder:

Number of Equity Shares Held	Number of Shareholders	% of Total Shareholders	Number of Shares Held	% Shareholding
1-5000	52968	90.54	46610326	7.24
5001-10000	2620	4.48	20048534	3.11
10001-20000	1494	2.55	21930617	3.41
20001-30000	509	0.87	12858177	2.00
30001-40000	208	0.36	7393587	1.15
40001-50000	196	0.34	9176649	1.43
50001-100000	295	0.50	21220341	3.30
100001-Above	215	0.37	140661444	21.85

**B. CATEGORY WISE SHAREHOLDING AS ON MARCH 31, 2021**

Description	Total No. of equity Shares held as on March 31, 2021	% Shareholding
Promoters	2,63,69,518	9.42
Foreign Portfolio Investors	2,42,83,279	8.67
NBFCs registered with RBI	1,00,000	0.04
Banks / Financial Institutions / NBFCs	64,40,414	2.30
Individual Share Capital up to 2 Lacs	14,16,74,020	50.63

Individual Share Capital in excess of 2 Lacs	3,19,23,059	11.40
Others	4,91,09,385	17.54

**g) 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 31<sup>st</sup> March, 2021

**CEO / CFO certification**

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

**Code of Conduct**

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

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

A declaration by the Managing Director confirming that all the Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2021 is annexed at the end of this report.

## **CORPORATE GOVERNANCE CERTIFICATE**

To,

The Members of

**Vikas Ecotech Limited**

34/1, Vikas Apartments, East Punjabi Bagh,

New Delhi - 110026

We have examined the compliance of conditions of Corporate Governance by Vikas Ecotech Limited ("the Company"), for the financial year ended March 31, 2021 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

**For Kumar G & Co.**

**Companies Secretaries**

**Gupta P.K.**

**Proprietor**

**M. No. 14629**

**COP No. 7579**

**UDIN: A014629C000849529**

**Place: New Delhi**

**Date: August 31, 2021**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

**Vikas Ecotech Limited**

34/1, Vikas Apartment, East Punjabi Bagh

New Delhi-110026

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vikas Ecotech Limited having CIN: L65999DL1984PLC019465 and having registered office at 34/1, Vikas Apartment, East Punjabi Bagh New Delhi-110026 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY ended March 31, 2021.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of a Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any court or any other Statutory Authority:

S. No.	Name of Director	DIN	Date of Appointment
1	Mr. Vikas Garg	00255413	15/06/1992
2	Mr. Vivek Garg	00255443	25/07/2008
3	Mr. Ravi Kumar Gupta	01018072	14/02/2019
4	Mr. Suresh Kumar Dhingra	03513272	13/02/2020
5	Mrs. Vibha Mahajan	06715766	12/08/2015
6	Mr. Gyan Prakash Govil	08477296	28/06/2019
7	Mrs. Reena Sharma	08543662	14/11/2019

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

1. Mrs. Vibha Mahajan, Director of the Company resigned w.e.f. September 29, 2020.
2. Mrs. Reena Sharma, Director of the Company resigned w.e.f. January 30, 2021.
3. Ms. Kratika Godika (DIN: 08825445) appointed as Additional Director (Independent, Non-executive) of the Company w.e.f. June 4, 2021.

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

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

**GUPTA P.K.  
Proprietor**

**M. No. 14629**

**COP No. 7579**

**UDIN: A014629C000849518**

**Place: New Delhi**

**Date: August 31, 2021**

## CEO'S/CFO'S CERTIFICATE

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

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For Vikas Ecotech Limited**

**For Vikas Ecotech Limited**

**Date: 14.07.2021**

**Place: New Delhi**

**Dinesh Bhardwaj**  
**Chief Executive officer**

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

---

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

The Member  
Vikas Ecotech Limited

I hereby confirm that all the Board members and senior management personnel of the company have affirmed compliance with the company's Code of Conduct during the financial year ended March 31, 2021.

**For Vikas Ecotech Limited**

**Date : 31.08.2021**

**Place : New Delhi**

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



## Form No. MR-3 Secretarial Audit Report

For the Financial year ended 2020-21

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

To,

The Members,

**VIKAS ECOTECH LIMITED,**

34/1 Vikas Apartments,

East Punjabi Bagh Delhi 110026

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

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

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as amended time to time.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and 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, etc. mentioned above.

We further report that

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including two Women Independent Directors on the Board.

During the period under review, Mrs. Vibha Mahajan (DIN: 06715766) and Mrs. Reena Sharma (DIN: 08543662), Directors of the Company resigned w.e.f. September 29, 2020 and January 30, 2021 respectively. After the closure of period under review, Ms. Kratika Godika (DIN: 08825445) appointed as Additional Director (Independent, Non-executive) of the Company w.e.f. June 4, 2021.

- 2) The Company has not given advance notice of 5 days (excluding the date of the intimation and date of the meeting) to the Exchanges intimating about the board meeting held on January 23, 2021 in accordance with Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, BSE Limited and National Stock Exchange of India advised the Company to pay a fine of Rs.10,000/- which was subsequently paid by the Company within the due timeline.
- 3) 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.
- 4) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Note: Please refer specific observations / qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat Equity, etc. However, the board of directors of the company in their board meeting held on January 23, 2021 approved the issuance and allotment of equity shares for up to an aggregate amount of up to Rs. 50 Crores by way of a rights issue and on February 9, 2021 approved raising of fund up to Rs. 50 Crores by way of issuance of securities, convertible instruments, FCCB, QIP/Preferential Allotment in one or more tranches.
- Subsequently, pursuant to members approval obtained by mean of passing Special Resolution through Postal Ballot dated February 9, 2021 and necessary listing approvals, company on July 7, 2021 issued 36,38,69,577 Equity Shares on Right basis to the existing shareholder of the Company and raised Rs. 49.12 Crores.
- (ii) Redemption / buy-back of securities.

- (iii) During the financial year under review, members of the Company, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto, in supersession of all the earlier resolutions passed for this purpose, gave necessary approval for an aggregate indebtedness secured by the assets of the Company not exceeding Rs. 250 crores.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations
- (vi) Further, the Company has duly filed applicable forms and returns with the Registrar of Companies, Delhi & Haryana / Ministry of Corporate Affairs within the prescribed time or with additional fee in cases of delayed filings. Few forms / returns (if any) which were due for filing during the financial year, the management has assured compliance with the same.

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

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

**GUPTA P. K.**

**Proprietor**

**M. No. 14629**

**COP No. 7579**

**UDIN: A014629C000849540**

**Place: New Delhi**

**Date: August 31, 2021**

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

## **“Annexure 1”**

To,

The Members,

**VIKAS ECOTECH LIMITED,**

34/1 Vikas Apartments,

East Punjabi Bagh Delhi 110026

**Sub: Secretarial Audit for the Financial Year ended March 31, 2021 of even date is to be read with this letter**

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

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

**GUPTA P. K.  
Proprietor**

**M. No. 14629**

**COP No. 7579**

**UDIN: A014629C000849540**

**Place: New Delhi**

**Date: August 31, 2021**

## SECRETARIAL COMPLIANCE REPORT OF VIKAS ECOTECH LIMITED FOR THE YEAR ENDED MARCH 31, 2021

We have examined:

- a) all the documents and records made available to us and explanation provided by **M/s. Vikas Ecotech Limited** ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2021 in respect of compliance with the provisions of :

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

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;\*
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;\*
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;\*
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;\*
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013;\*
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- k) 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;

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

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

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has not given advance notice of 5 days (excluding the date of the intimation and date of the meeting) to the Exchange intimating about the board meeting held on January 23, 2021. Though the Company claimed that notice was shorter by 1 day only due to some technical glitches, BSE and NSE advised the Company to pay a fine of Rs.10,000/- which was subsequently paid..	The Company has paid the fine advised by the Stock Exchanges, within due timeline. Hence, no comment is required.

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any
---Nil---				

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

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	Regulation 74(5) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018	The Company obtained the requisite certificate from its RTA, but the same was not submitted to the Stock Exchanges.	Post FY 2019-20, the Company is regular in submitting the requisite certificate (received from RTA) to the Stock Exchanges.	The Company is now complying with the requirement; hence no comment is required.
2	Regulation 23(9) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)	Delay in filing of disclosure of Related Party transactions	The Company had made the disclosure on the stock exchanges on December 18, 2019 (which was required to be submitted latest by December 13, 2019).	The Company made the necessary compliance though with some delay, hence no comment is required.

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

Note:

- Provide the list of all the observations in the report for the previous year along with the actions taken by the listed entity on those observations.
- Add the list of all observations in the reports pertaining to the periods prior to the previous year in case the entity has not taken sufficient steps to address the concerns raised/ observations.

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

**GUPTA P. K.  
ACS : 14629 | CP : 7579  
UDIN: A014629C000538801**

**Place : New Delhi  
Date : June 29, 2021**

## INDEPENDENT AUDITOR'S REPORT

To the Members of **VIKAS ECOTECH LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **VIKAS ECOTECH LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2021, the statement of Profit and Loss, and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

Subject to the possible impact due to matters reported in other matters para, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, its profit and its cash flows for the period ended on that date.

#### Basis for Opinion

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

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined following matters as key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How audit addressed the key audit matter
1	<b>Litigation Matters</b>	
	<p>The company has certain significant open legal proceedings under Direct and Indirect tax laws and civil suits, refer note 35.</p> <p>-Income Tax Demand Rs. 2204386 related to AY 2008-09. Letter of Request for rectification was submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since TDS credit from Lupin Ltd. was not reflected in 26 AS of relevant year.</p> <p>-Income Tax Demand Rs. 1980580 related to AY 2009-10. Letter of Request for rectification was submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since TDS credit from Lupin Ltd. was not reflected in 26 AS of relevant year.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Assessing management's position through discussions with the in-house legal expert, the probability of success in the aforesaid cases, and the magnitude of any potential loss.</li> <li>Discussion with the management on the development in these litigations during the year ended March 31, 2021.</li> <li>Obtained representation letter from the management on the assessment of these matters</li> </ul>

<p>Income Tax Demand Rs. 2474790 related to AY 2017-18. Letter of Request for rectification u/s 154 has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since Assessment order passed u/s 143(3) for the A.Y. 2017-18, carries mistake apparent from records.</p> <p>-Excise demand of Rs. 3124983 related M/s Sigma Plastic Industries pertaining to FY 2014-15. The appeal has been filed by the company and at present it is pending at CESTAT, New Delhi. The Company had acquired 100% share in Sigma Plastic Industries, which was merged in the Company during financial year 2014-15. Accordingly, pending litigation of Sigma Plastic Industries has also become part of pending litigation of the Company.</p> <p>The Company has filed civil suit against ADM Agro Industries Kota and Akola Limited supplier of Soya Bean Oil in Saket Court Delhi (Case No-CS OS No.-198/214) amounting Rs. 99,61,516 due to poor supply of soya bean oil. The Company has suffered a loss due to such poor quality of material supplied by them and non-recovery of money from debtors and it also affect goodwill of the Company. ADM Agro Industries Kota and Akola Limited has also filed winding up petition against the Company in High Court (Case No. CO PET N. 64/2014) due to non-payment of Rs. 41,15,664 along with interest at the rate of 18% from the due date of payment. ADM Agro Industries Kota and Akola Limited has also filed a summary suit for recovery of debts in Tis Hazari Court (Summary Suit No. – C S (OS) 3077/2014)</p> <p>The Directorate of Enforcement, Delhi Zonal Office, New Delhi has issued a provisional attachment order (“Order”) bearing number 04/2020 and file number ECIR/10/DZ-1/2017/16962 under Section 5(1) of the Prevention of Money Laundering Act, 2002 (“PMLA”) against the Company and its Promoter/ Director Mr. Vikas Garg and other third parties. Through the said attachment, UCO bank account of the company maintained at Parliament Street, New Delhi Branch has been attached for an amount of Rs. 7,15,533/-.</p> <p>Due to complexity involved in these litigation matters, management’s judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly, it has been considered as a key audit matter.</p>	
--	--



2.	<b>Physical Verification of Inventory as on 31 March 2021</b>	
	Refer note 9 of the financial statements. The value of inventory includes raw material valuing Rs. 85.72 Crores and Finished Goods valuing Rs. 14.83 Crores as on 31 March 2021. Due to COVID-19 related lockdown, inventory at different locations could not be physically verified. Being material, this has been considered as key audit matter.	As an alternate procedure in accordance with Standard of Auditing, we verify and inspect supporting documents related to purchase, production and sale of inventory on test check basis. Besides this, the details of inventory and its valuation as on year ended March 21 have been certified by the management of company and cost auditor of the company.
3.	<b>Physical Verification of Property, Plant and Equipment as on 31 March 2021</b>	
	Due to COVID-19 related lockdown, physical inspection of property plant and equipment at different locations could not be done. Being material, this has been considered as key audit matter.	As an alternate procedure in accordance with Standard of Auditing, we verified and inspected supporting documents related to additions and disposals of property plant and equipment on test check basis

**Information other than the financial statements and auditors’ report thereon**

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

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

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

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

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

### **OTHER MATTERS**

- a. Closing stock has been valued and certified by the management of the company and relied upon by us. The inventory holding level, being significantly higher as compare to sales trends of the company, is subject to management view and business expediency.

- b. Closing stock includes stock valuing Rs. 1.53 Cr. non moving/slow moving nature identified on the basis of ageing of stock for more than year. No provisioning is done since as per the management, the stock is usable and is in good condition and hence no provisioning for impairment in value of stock is required.
- c. Balances of Sundry Debtors, Sundry Creditors including advances made to suppliers and advances received from customers have been confirmed by management of the company and relied upon by us as the balance confirmations are yet to be received from some parties.
- d. Debtors includes debtors amounting to Rs. 13.75 Cr. which are overdue and outstanding for more than one year as on March 2021. The said balances are subject to provisioning for expected credit loss (ECL) on the basis of probability of recoverability. No provision is being done against these balances since as per the management balances are good and recoverable.
- e. Debtors includes debtors amounting to Rs. 6.06 Cr. which are outstanding on account of dispute with the parties. The said balances are subject to provisioning for expected credit loss (ECL) on the basis of probability of recoverability. No provision is being done against these balances since as per the management said balances are good and recoverable.
- f. The advances given to suppliers amounting to Rs. 75.02 Crores, being significantly higher as compare to purchase trends of the company is subject to management view and business expediency. An advance to suppliers includes advances of Rs. 10.45 Crores which are pending for more than one year and pending for adjustment as on March 2021. No provision is being done against these balances since as per the management balances are good and recoverable.

#### **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, we give in the Annexure-"A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except the information and explanation related to matters mentioned in other matters para.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books. .
  - c) The company is not having any branch office and hence clause (c) of section 143(3) of the Companies Act 2013 is not applicable.
  - d) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
  - e) In our opinion, except as otherwise disclosed in accounting policies and notes to the financial statements, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - f) On the basis of the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
- ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KSMC & ASSOCIATES**

**Chartered Accountants**

**FRN: 003565N**

**(CA SACHIN SINGHAL)**

**Partner**

**M. No.:505732**

**UDIN: 21505732AAAACZ7970**

**Place: New Delhi**

**Date: 14.07.2021**

**ANNEXURE TO THE AUDITOR’S REPORT**

The Annexure referred to in our report to the members of VIKAS ECOTECH LIMITED(“the Company”) for the year ended March 31, 2021. We report that:

<b>S. No.</b>	<b>Particulars</b>	<b>Auditor’s Remarks</b>
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	In the absence of requisite documents and explanation, we are unable to comment on this.
	(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;	In the absence of requisite documents and explanation, we are unable to comment on this.
	(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.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest;	NA.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	NA
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	The company has not given any loan or guarantee or provided any security during the year. In respect of investments made by the company during the year, all applicable compliances are complied with.

(v)	<p>in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</p>	<p>According to the information and explanations given to us, the Company has not accepted any deposit within meaning of section 73 to 76 of the Companies Act, 2013 and rules framed there under during the year.</p>
(vi)	<p>Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.</p>	<p>The Company has maintained cost records as required as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. In this regard, Management Representation and certificate from cost auditor has been provided and relied upon by us being technical matter in nature.</p>
(vii)	<p>(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance Fund, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities but delay in deposit of the same has been observed in some of the cases. As on year end following are the unpaid statutory dues which are remaining unpaid since very long time:</p> <ol style="list-style-type: none"> <li>1. Interest on DDT Rs. 175706</li> <li>2. TDS Payable Rs. 450,497</li> <li>3. Interest on late payment of GST Rs. 160874</li> <li>4. Late filing fees TDS Rs. 30400</li> <li>5. Income Tax Payable Rs. 4,80,72,910</li> <li>6. Income Tax payable Rs. 75,22,196</li> <li>7. Custom Duty Payable Rs. 1,06,38,175***</li> <li>8. Interest on ESIC Rs. 2808</li> </ol> <p>*** This amount is payable against goods damaged in fire. Against this loss, the company had lodged the insurance claim with the Insurance Company. During the year, the claim has been partly settled by the insurance company. Regarding short claim, the Company has already filled its objection with respect to short amount of insurance claim received from OIC, which is pending as on date. In view of this, the abovementioned amount payable has been put on hold for payment and shall be paid as and when insurance company settles the pending insurance claim.</p>

	(b) where 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).	For amounts which are not paid on account of disputes for which appeals are pending, <b>refer Note 35</b> to Financial Statements for the year ended 31st March 2021.
(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;	During the year, the company has not raised any money by way of public offer. The amount raised by way of term loans were applied for the purpose for which those are 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence this clause is not applicable.

(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	The company has not entered into any non-cash transactions with directors or persons connected with him, hence the provisions of section 192 of Companies Act, 2013 are not applicable
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**CA SACHIN SINGHAL**  
**Partner**  
**Membership No.: 505732**  
**UDIN: 21505732AAAACZ7970**

**Place: New Delhi**

**Date : 14.07.2021**



**Annexure “B”****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 March 31, 2021 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**

Except for the possible impact due to matter reported in other matters para, in our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

With reference to stock and inventory, the company needs to make its inventory management system including physical stock taking process more effective and robust. Further the company also needs to improve its process for conduct of physical verification of fixed assets in phased manner at regular intervals and also process for obtaining balances confirmations from suppliers or customers at regular interval.

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

**CA SACHIN SINGHAL**  
**Partner**  
**Membership No.: 505732**  
**UDIN: 21505732AAAACZ7970**

**Place: New Delhi**

**Date: 14.07.2021**

## BALANCE SHEET AS AT 31 MARCH 2021

(All amounts in Indian rupees, except share data or if otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	22,11,59,313	29,59,67,454
Investment Property	5	8,20,02,596	1,83,76,574
Financial assets			
Loans	6	48,17,379	21,51,958
Investments	6A	6,59,761	-
Deferred tax assets (net)	7	70,51,217	1,00,14,349
Other non-current assets	8	17,96,38,276	17,96,38,277
		<b>49,53,28,542</b>	<b>50,61,48,612</b>
<b>Current assets</b>			
Inventories	9	1,01,60,50,631	1,10,46,37,185
Financial assets			
Trade receivables	10	86,37,95,498	1,08,02,10,508
Cash and cash equivalents	11	31,98,848	30,96,991
Other bank balances	12	8,65,01,721	9,02,27,093
Other financial assets	13	43,14,856	44,90,170
Assets Held for Sale	5	-	1,40,00,000
Other current assets	14	78,79,49,744	65,24,33,991
		<b>2,76,18,11,296</b>	<b>2,94,90,95,938</b>
<b>TOTAL ASSETS</b>		<b>3,25,71,39,838</b>	<b>3,45,52,44,550</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	27,98,99,675	27,98,99,675
Other equity	16	1,00,65,30,297	1,15,00,18,593
<b>Total equity</b>		<b>1,28,64,29,972</b>	<b>1,42,99,18,268</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	5,36,04,490	4,43,58,445
Provisions	18	29,55,177	28,00,536
		<b>5,65,59,667</b>	<b>4,71,58,981</b>

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	1,39,21,03,556	1,39,69,13,678
Trade payables	19	36,76,69,889	25,64,42,874
Other financial liabilities	20	6,92,69,887	2,83,05,512
Provisions	18	61,941	59,223
Other current liabilities	21	8,50,41,783	28,61,41,504
Current tax liabilities (net)	7	3,143	1,03,04,509
		<b>1,91,41,50,199</b>	<b>1,97,81,67,301</b>
<b>Total liabilities</b>		<b>1,97,07,09,866</b>	<b>2,02,53,26,282</b>
<b>TOTAL EQUITY AND IABILITIES</b>		<b>3,25,71,39,838</b>	<b>3,45,52,44,550</b>

**NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 41**
**As per our report of even date attached**

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

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

**VIKAS GARG**  
(MANAGING DIRECTOR)  
00255413

**SURESH KUMAR DHINGRA**  
(DIRECTOR)  
03513272

**CA.SACHIN SINGHAL**  
Membership No.: 505732  
UDIN: 21505732AAAACZ7970

**PRASHANT SAJWANI**  
(COMPANY  
SECRETARY)

**AMIT DHURIA**  
(CHIEF FINANCIAL  
OFFICER)

**DINESH BHARDWAJ**  
(CHIEF EXECUTIVE  
OFFICER)

Place: NEW DELHI  
Date: 14.07.2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Revenue from operations	22	1,16,17,77,304	1,92,18,85,599
Other income	23	4,55,74,768	7,00,74,747
<b>Total Revenue</b>		<b>1,20,73,52,073</b>	<b>1,99,19,60,346</b>
Cost of raw material and components consumed	24	1,04,92,12,049	1,63,91,88,355
Purchase of traded goods	25	-	-
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	26	-	-
Employee benefits expense	27	2,40,14,664	3,12,78,345
Depreciation expense	28	3,96,30,885	4,76,80,251
Finance costs	29	18,16,22,976	19,40,75,503
Other expenses	30	4,36,06,006	13,46,29,201
<b>Total expense</b>		<b>1,33,80,86,580</b>	<b>2,04,68,51,655</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(13,07,34,508)</b>	<b>(5,48,91,309)</b>
Exceptional items	31	-	8,37,30,430
<b>Profit/(loss) before and tax</b>		<b>(13,07,34,508)</b>	<b>2,88,39,121</b>
<b>Income tax expense:</b>			
Current tax		3,143	1,00,40,507
Excess/ Short provision relating earlier year tax		-	-
Interest on Income Tax earlier year		98,00,000	89,66,214
Deferred tax		29,63,132	(3,49,402)
<b>Income tax expense</b>		<b>1,27,66,275</b>	<b>1,86,57,319</b>
<b>Profit for the year</b>		<b>(14,35,00,783)</b>	<b>1,01,81,802</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains (losses)		12,486	10,48,874
Income tax effect		(3,143)	(2,64,002)
<b>Net other comprehensive income (net of tax) not to be reclassified to profit or loss in subsequent periods</b>		<b>9,343</b>	<b>7,84,872</b>
<b>Total Comprehensive income for the year</b>		<b>(14,34,91,440)</b>	<b>1,09,66,674</b>
<b>Earnings per share</b>			
Basic and Diluted earnings per share	32	<b>(0.51)</b>	<b>0.04</b>

As per our report of even date attached

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

VIKAS GARG  
(MANAGING DIRECTOR)  
00255413

SURESH KUMAR DHINGRA  
(DIRECTOR)  
03513272

CA.SACHIN SINGHAL  
Membership No.: 505732  
UDIN: 21505732AAAACZ7970

PRASHANT SAJWANI  
(COMPANY  
SECRETARY)

AMIT DHURIA  
(CHIEF FINANCIAL  
OFFICER)

DINESH BHARDWAJ  
(CHIEF EXECUTIVE  
OFFICER)

Place: NEW DELHI  
Date: 14.07.2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Indian rupees, except share data or if otherwise stated)

A.	Equity share capital	For the year ended 31 March 2021	
		Issued Capital	
		Number of Shares	Amount (INR)
	Balance as at 1 April 2020	27,98,99,675	27,98,99,675
	Shares issued during the year	-	-
	<b>Balance as at 31 March 2021</b>	<b>27,98,99,675</b>	<b>27,98,99,675</b>

B.	Other equity	For the year ended 31 March 2021					Total
		Share premium	General Reserve	Retained Earnings	Other Reserves	Other Comprehensive income	
	Balance as at 1 April 2020	11,48,69,778	14,71,20,475	88,58,35,621	9,65,934	12,26,785	<b>1,15,00,18,593</b>
	Profit for the year	-	-	(14,35,00,782)	-	-	<b>(14,35,00,782)</b>
	Other comprehensive income	-	-	-	-	12,486	<b>12,486</b>
	<b>Total comprehensive income</b>	<b>11,48,69,778</b>	<b>14,71,20,475</b>	<b>74,23,34,839</b>	<b>9,65,934</b>	<b>12,39,271</b>	<b>1,00,65,30,297</b>
	Premium on shares issued during the year	-	-	-	-	-	-
	Final dividend on equity shares	-	-	-	-	-	-
	Tax on final dividend on equity shares	-	-	-	-	-	-
	<b>Balance as at 31 March 2021</b>	<b>11,48,69,778</b>	<b>14,71,20,475</b>	<b>74,23,34,839</b>	<b>9,65,934</b>	<b>12,39,271</b>	<b>1,00,65,30,297</b>

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

**VIKAS GARG**  
(MANAGING DIRECTOR)  
00255413

**SURESH KUMAR DHINGRA**  
(DIRECTOR)  
03513272

**CA.SACHIN SINGHAL**  
Membership No.: 505732  
UDIN: 21505732AAAACZ7970

**PRASHANT SAJWANI**  
(COMPANY  
SECRETARY)

**AMIT DHURIA**  
(CHIEF FINANCIAL  
OFFICER)

**DINESH BHARDWAJ**  
(CHIEF EXECUTIVE  
OFFICER)

Place: NEW DELHI  
Date: 14.07.2021

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Indian rupees, except share data or if otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Operating activities</b>		
Profit before tax	(13,07,34,508)	2,88,39,121
<b>Profit before tax</b>		
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and impairment of property, plant and equipment	3,96,30,885	4,76,80,251
Gain/loss on disposal of property, plant and equipment	-	78,82,023
Finance income	(56,10,016)	(1,24,52,368)
Finance costs	18,16,22,976	19,41,33,563
Loss on sale of Investment	30,76,736	
Loss on sale of Fixed Assets	(38,46,181)	
Rental income	(45,04,716)	(31,50,477)
Insurance Claim Received	-	(2,86,73,033)
<i>Working capital adjustments:</i>		
(Increase)/ decrease in inventories	8,85,86,554	(3,68,53,840)
(Increase)/ decrease in trade receivables	21,64,15,011	56,86,73,987
(Increase)/ decrease in other bank balances	37,25,372	4,65,53,098
(Increase)/ decrease in other financial assets	(24,90,106)	(92,643)
(Increase)/ decrease in other assets	(13,55,15,752)	(18,77,25,526)
(Decrease)/ increase in trade payables	11,12,27,015	(34,66,46,594)
(Decrease)/ increase in other financial liabilities	(1,61,55,802)	1,54,79,079
(Decrease)/ increase in provisions	1,69,845	6,29,799
(Decrease)/ increase in other current liabilities	(20,10,99,720)	4,58,95,690
(Decrease)/ increase in Current tax liabilities (net)	(1,03,01,366)	(6,31,17,511)
<b>Cash generated from operations</b>	<b>13,41,96,228</b>	<b>27,70,54,619</b>
Income tax paid	(98,06,286)	(1,92,70,723)
<b>Net cash flows from operating activities</b>	<b>12,43,89,941</b>	<b>25,77,83,896</b>
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	-	1,42,26,440
(Increase)/ decrease in Investments	(95,37,963)	-
(Increase)/ decrease in Investments	58,22,236	
(Increase)/ decrease in Other Non Current Assets	-	(4,520)
Purchase of property, plant and equipment	(1,06,16,985)	(24,71,217)
Insurance Claim Received (Building, P & M)	-	2,86,73,033
Rental income	45,04,716	31,50,477
Interest received	56,10,016	1,24,52,368
<b>Net cash flows used in investing activities</b>	<b>(42,17,980)</b>	<b>5,60,26,580</b>
<b>Financing activities</b>		
(Repayment)/Proceeds from borrowings - Non Current	21,08,70,439	(46,17,607)
(Repayment)/Proceeds from borrowings - Current	(14,93,14,341)	(11,87,12,009)
Interest paid	(18,16,22,976)	(19,41,33,563)
<b>Net cash flows from/(used in) financing activities</b>	<b>(12,00,66,878)</b>	<b>(31,74,63,179)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,05,084</b>	<b>(36,52,702)</b>
Cash and cash equivalents at the beginning of the year	30,93,765	67,46,468
<b>Cash and cash equivalents at year end</b>	<b>31,98,848</b>	<b>30,93,765</b>

**As per our report of even date attached**

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

**VIKAS GARG**  
(MANAGING DIRECTOR)  
00255413

**SURESH KUMAR DHINGRA**  
(DIRECTOR)  
03513272

**CA.SACHIN SINGHAL**  
Membership No.: 505732  
UDIN: 21505732AAAACZ7970

**PRASHANT SAJWANI**  
(COMPANY  
SECRETARY)

**AMIT DHURIA**  
(CHIEF FINANCIAL  
OFFICER)

**DINESH BHARDWAJ**  
(CHIEF EXECUTIVE  
OFFICER)

Place: NEW DELHI  
Date: 14.07.2021

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
**(All amounts in Indian rupees, except share data or if otherwise stated)**

**1 Corporate information**

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

The Company is an emerging player in the global arena engaged in the business of high-end specialty chemicals. It is an integrated, multi-specialty product solutions company, producing a wide variety of superior quality, eco-friendly additives and rubber-plastic compounds. Its additives and rubber-plastic compounds are process-critical and value-enabling ingredients used to manufacture a varied cross-section of high-performance, environment-friendly and safety-critical products. From agriculture to automotive, cables to electrical, hygiene to healthcare, polymers to packaging, textiles to footwear, the Company's products serve a diverse range of global industry needs. The Company has its manufacturing plants in the state of Rajasthan, Noida SEZ (UP) & Kandla SEZ (Gujrat).

**2. Basis of preparation**

**a) Statement of compliance:**

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

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

**b) Basis of measurement:**

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

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

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

**Judgments**

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



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

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

### 3. Summary of significant accounting policies

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

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

##### Assets

An asset as current when it is:

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

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

##### Liability

A liability is current when:

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

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

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

##### Operating cycle

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

#### b) Property, plant and equipment

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

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

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

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

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

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

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

In case of intangible assets, amortisation has been done considering useful life as 3 years derived on the basis of management judgement and estimate.

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

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

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

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

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

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

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

**d) Leases – Company as a lessee**

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

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

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

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

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

**e) Cash and cash equivalents**

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

**f) Financial instruments**

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

**Financial assets**

Initial recognition and measurement

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

**Classification and subsequent measurement**

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

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

#### **Financial assets at amortised cost**

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

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

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

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

#### **Financial assets at FVTOCI**

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

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

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

#### **Financial assets at FVTPL**

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

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

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

#### **Equity investments**

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

#### **De-recognition**

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

- The contractual rights to receive cash flows from the asset have expired, or

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

#### **Impairment of financial assets**

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

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

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

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

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

#### **Financial liabilities**

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

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

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

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

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

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

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

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

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

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

**De-recognition**

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

**Reclassification of financial assets**

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

**Offsetting of financial instruments**

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

**g) Revenue recognition**

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

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

**Sale of goods**

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

**Export Incentives**

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

**Commission**

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

**Rental income**

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

**Interest income**

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

**Government grants**

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

**Other operating income**

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

**h) Inventories**

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Obsolete, slow moving, defective inventories, shortage/ excess are identified at the time of physical verification of inventories and wherever necessary provision/ adjustment is made for such inventories.

**i) Income taxes**

Income tax expenses comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

**Current tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Minimum Alternate Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in the Balance sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **j) Dividend payments**

Final dividend is recognised, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **l) Retirement and other employee benefits**

Short term employee benefits are measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The Company post-employment benefits include defined benefit plan and defined contribution plans.



Contribution payable by the Company to the central government authorities in respect of provident fund, pension fund and employee state insurance are defined plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in Statement of Profit & Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Profit and Loss. The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Gratuity is covered under the Gratuity policy respectively, of Life Insurance Corporation of India (LIC).

All expenses excluding re-measurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**m) Provisions**

**i) General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

**ii) Contingent assets/ liabilities**

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**n) Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares (such as preferential shares, ESOP, share warrants, share application money, etc.) into equity shares.

**o) Fair value measurement**

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- I. Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- II. Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

**p) Foreign currency**

Functional and presentation currency

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information is presented in INR, except where otherwise stated.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fairvalue is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange gains/ (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

**q) Corporate social responsibility expenditure**

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance notion "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from 1 April 2015, CSR expenditure is recognised as an expense in the Statement of Profit and Loss in the period in which it is incurred.

**4. Segment Reporting**

The Company is in the business of manufacturing of Speciality Additives, Compounds & Polymers and hence has only one reportable segment as per 'Ind-AS 108 : Operating Segments.

**5. NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**Property, plant and equipment**

Particulars	Leasehold Land	Office Building	Lease Hold Improvements (Factory Building)	Plant and equipment	Furniture & fixtures	Vehicles	Office Equipment	Computers	Intangible Assets	Total
<b>Cost or valuation</b>										
At 1 April 2020	4,78,17,604	5,51,48,655	7,44,89,112	30,80,87,593	30,64,851	3,28,45,179	90,36,355	73,25,228	-	53,78,14,577
Additions	-	-	-	48,800	-	-	10,52,860	3,25,325	91,90,000	1,06,16,985
Assets classified as Investment Property *	-	5,20,84,060								5,20,84,060
Disposals / Assets Held for Sale #	-	-	-	1,14,22,751	-	-	3,12,348	10,200		1,17,45,299
<b>At 31 March 2021</b>	<b>4,78,17,604</b>	<b>30,64,595</b>	<b>7,44,89,112</b>	<b>29,67,13,642</b>	<b>30,64,851</b>	<b>3,28,45,179</b>	<b>97,76,867</b>	<b>76,40,353</b>	<b>91,90,000</b>	<b>48,46,02,203</b>
<b>Depreciation</b>										
At 1 April 2020	30,97,387	41,75,755	3,36,64,932	15,74,06,097	24,08,279	2,62,14,606	81,14,907	67,65,160	-	24,18,47,124
Charge for the year	6,28,398	91,743	40,14,553	2,76,06,377	86,532	19,55,522	1,58,162	5,45,550	2,42,514	3,53,29,351
Assets classified as Investment Property *		(40,78,784)								(40,78,784)
Disposals / Assets Held for Sale #	-	-	-	(93,32,253)		-	(3,12,348)	(10,200)		(96,54,801)
<b>At 31 March 2021</b>	<b>37,25,785</b>	<b>1,88,714</b>	<b>3,76,79,485</b>	<b>17,56,80,222</b>	<b>24,94,811</b>	<b>2,81,70,128</b>	<b>79,60,721</b>	<b>73,00,510</b>	<b>2,42,514</b>	<b>26,34,42,890</b>
<b>Net book value</b>										
At 31 March 2021	4,40,91,819	28,75,881	3,68,09,627	12,10,33,421	5,70,040	46,75,051	18,16,146	3,39,843	89,47,486	22,11,59,313
At 31 March 2020	4,47,20,217	5,09,72,900	4,08,24,180	15,06,81,496	6,56,572	66,30,573	9,21,448	5,60,068		29,59,67,453

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**5.1 Investment Property**

Particulars	Investment Properties
<b>Cost or valuation</b>	
At 1 April 2020	1,94,99,620
Reclassified from PPE*	5,20,84,060
Reclassified from Assets Held for Sale	1,99,22,280
Disposals	-
<b>At 31 March 2020</b>	<b>9,15,05,960</b>
<b>Depreciation</b>	
At 1 April 2020	22,02,142
Reclassified form PPE*	29,99,688
Charge for the year	43,01,534
Disposals	-
<b>At 31 March 2020</b>	<b>95,03,364</b>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b>8,20,02,596</b>
<b>At 31 March 2020</b>	<b>1,83,76,574</b>

\*Asset has been reclassified as Investment property as per IND AS 40 as property interests held under a lease accounted for as an operating lease.

**6. Loans**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Security deposit	48,17,379	21,51,958
<b>Total</b>	<b>48,17,379</b>	<b>21,51,958</b>

**6A. Investments**

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at Fair value)		
Investments in Shares	6,59,761	-
<b>Total</b>	<b>6,59,761</b>	<b>-</b>

2,50,000 Equity Shares of M/s Aarey Drugs & Pharmaceuticals Ltd. purchased at cost of Rs. 95,65,267/- (including stamp duty & incidental charges of Rs. 27,304/-). Partial Investment was sold on different dates and as on reporting date, company holds 28438 shares. The shares has been revalued @ Rs. 23.20 per share (price on 31.03.2021 has been considered) and difference has been routed through OCI.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**7. Taxes**

**a) Amounts recognised in Statement of profit and loss comprises:**

The major component of income tax expense:

**i) Statement of profit and loss**

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax	-	1,00,40,507
Deferred tax	29,63,132	(3,49,402)
Excess/ Short provision relating earlier year tax	-	-
<b>Income tax expense</b>	<b>29,63,132</b>	<b>96,91,105</b>

**ii) Other comprehensive income**

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax benefit on re-measurement of defined benefit plan	3,143	2,64,002
<b>Income tax charged to OCI</b>	<b>3,143</b>	<b>2,64,002</b>

**b) Current tax liabilities (net)**

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax assets	-	-
Current tax liabilities	(3,143)	(1,03,04,509)
<b>Total</b>	<b>(3,143)</b>	<b>(1,03,04,509)</b>

**c) Reconciliation of effective tax rate**

Particulars	As at 31 March 2021	As at 31 March 2020
Net income before tax	(13,07,22,022)	2,98,87,995
Enacted tax rate in India	25.17%	25.17%
<b>Computed tax expense</b>	<b>-</b>	<b>75,22,211</b>
<b>Increase/ decrease in taxes on account of:</b>		
Tax effect on exempted income under Income-tax Act	-	-
Adjustment on account of Demerger	-	-
Tax impact of restatement of Prior period items	-	-
Adjustment on account of permanent difference	-	27,69,024
Adjustment on account of other than permanent difference	-	13,274
Excess/ Short provision relating earlier year tax	-	-
Income tax expense recognised in the statement of profit and loss (including portion of other comprehensive income)	-	<b>1,03,04,509</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**d) Deferred tax asset/ (liabilities)**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Deferred tax asset in respect of:</b>		
Property, plant and equipment	63,03,238	92,76,003
Provision for Gratuity, Bonus & Leave Encashment	7,47,979	7,38,347
<b>Total deferred tax asset</b>	<b>70,51,217</b>	<b>1,00,14,349</b>

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by same taxation authority. During the year the Company has decrease its existing Deffered Tax Assets by Rs. 29,63,132.00.

**e) Reconciliation of deferred tax assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	1,00,14,349	96,64,947
Tax credit during the year recognised in Statement of profit and loss	29,63,132	(3,49,402)
<b>Closing balance</b>	<b>70,51,217</b>	<b>1,00,14,349</b>

**8. Other non-current assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Capital advances	17,94,64,646	17,94,64,646
Other Non Current Assets	1,73,630	1,73,631
<b>Total</b>	<b>17,96,38,276</b>	<b>17,96,38,277</b>

**9. Inventories**

Particulars	As at 31 March 2021	As at 31 March 2020
At cost or net realisable value, whichever is lower		
Raw materials	85,72,15,639	67,41,55,314
Finished goods	14,83,48,321	41,99,95,200
Goods in transit	-	-
Real estate Inventory	1,04,86,671	1,04,86,671
<b>Total</b>	<b>1,01,60,50,631</b>	<b>1,10,46,37,185</b>

(Valued and certified by the Company's Management, Independent Cost Accountant and Relied upon by Auditors)

The Company is in the business of High End additives and rubber-plastic compounds and accordingly deals in numerous items such as Tin Alloy / Ingots, 2EthylhexylThioglycolate, Tinmate, Hydrogen Peroxide, PVC Resin, Styrene Butadiene Copolymer, Styrene Butadiene Styrene, Methyl Chloride (Gas) etc. Keeping in view the nature of industry and vast number of items, it is not practical for the Company to give item wise break up of different type of products.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**10. Trade receivables**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated	86,37,95,498	1,08,02,10,508
<b>Total</b>	<b>86,37,95,498</b>	<b>1,08,02,10,508</b>

Trade receivables are subject to confirmation / reconciliation, consequential adjustment if any and verification from Bank realisation certificates

The carrying amount of trade receivables approximates their fair value, is included in note 37.

The Company's exposure to credit risk and impairment allowances related to trade receivables is disclosed in Note 41.

**11. Cash and cash equivalents**

Particulars	As at 31 March 2021	As at 31 March 2020
Cash in hand	2,06,407	1,52,905
Balance with banks		
On current accounts	13,12,133	8,90,648
On cash credit limits-Repayable on demand	-	-
Unpaid dividend account	16,80,308	20,53,438
<b>Total</b>	<b>31,98,848</b>	<b>30,96,991</b>

**12. Other bank balances**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Deposits with bank held as margin money</b>		
Bank deposits (with maturity within 12 months from the reporting date)	8,65,01,721	9,02,27,093
<b>Total</b>	<b>8,65,01,721</b>	<b>9,02,27,093</b>

**13. Other financial assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated		
Interest accrued but not due on deposits	43,14,856	44,90,170
<b>Total</b>	<b>43,14,856</b>	<b>44,90,170</b>

**14. Other current assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Advance to suppliers*	75,01,81,347	60,70,56,065
Security Deposits Refundable	1,10,050	10,59,930
MEIS Licence	37,09,251	80,67,221
Advance to employees	7,93,291	3,81,298
Other taxes recoverable	1,32,23,707	1,14,15,143
Prepaid expenses	45,58,766	58,03,554
Other Current Assets	1,53,73,332	1,86,50,780
<b>Total</b>	<b>78,79,49,744</b>	<b>65,24,33,991</b>

\*Advance to suppliers are subject to confirmation / reconciliation, consequential adjustment if any.



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**15. Share capital**

**a) Equity share capital**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised shares</b>		
320,000,000 equity shares of Re. 1 each	32,00,00,000	32,00,00,000
<b>Issued, subscribed and fully paid-up shares</b>		
279,899,675 equity shares of Re. 1 each	27,98,99,675	27,98,99,675
	<b>27,98,99,675</b>	<b>27,98,99,675</b>

**b) Reconciliation of number of shares outstanding at the beginning and end of year**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Equity shares, issued, subscribed and fully paid-up</b>		
Shares at the beginning of the year	27,98,99,675	27,98,99,675
Issued during the year	-	-
<b>Shares at the end of the year</b>	<b>27,98,99,675</b>	<b>27,98,99,675</b>

**c) Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

**d) Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2021	
	No. of shares	%age
<b>Equity shares, issued, subscribed and fully paid-up</b>		
Vikas Multicorp Limited	2,02,67,561	7.24%
Jayanti Shamji Chedda HUF	1,87,66,804	6.70%

Particulars	As at 31 March 2020	
	No. of shares	%age
<b>Equity shares, issued, subscribed and fully paid-up</b>		
Vikas Garg	2,78,44,711	9.95%
Vikas Multicorp Limited	3,69,13,548	13.19%
Jayanti Shamji Chedda HUF	1,99,96,000	7.14%

**e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

The Company has not issued any share for consideration other than cash during the period of five year immediately preceding 31 March 2021.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**16. Other equity**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Share premium	11,48,69,778	11,48,69,778
General reserve	14,71,20,475	14,71,20,475
Retained earnings	74,23,34,839	88,58,35,621
Other reserve	9,65,934	9,65,934
Other comprehensive income	12,39,271	12,26,785
<b>Total</b>	<b>1,00,65,30,297</b>	<b>1,15,00,18,593</b>

**a) Share premium**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening balance</b>	11,48,69,778	11,48,69,778
Additions during the year on account of issue of equity shares	-	-
<b>Closing balance</b>	<b>11,48,69,778</b>	<b>11,48,69,778</b>

**b) General reserve**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening balance</b>	14,71,20,475	14,71,20,475
<b>Closing balance</b>	<b>14,71,20,475</b>	<b>14,71,20,475</b>

**c) Retained earnings**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening balance</b>	88,58,35,621	87,56,53,819
Additions during the year	(14,35,00,782)	1,01,81,802
Less: Final dividend on equity shares	-	-
Less: Tax on final dividend on equity shares	-	-
<b>Closing balance</b>	<b>74,23,34,839</b>	<b>88,58,35,621</b>

**d) Other reserves (capital reserve)**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening balance</b>	9,65,934	965934
Additions during the year	-	-
<b>Closing balance</b>	<b>9,65,934</b>	<b>9,65,934</b>

**e) Other Comprehensive Income – Re-measurement of defined benefit plans (net of tax)**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening balance</b>	12,26,785	4,41,913
Actuarial gains/ (losses) on defined benefit plan for the year (net of tax)	12,486	7,84,872
<b>Closing balance</b>	<b>12,39,271</b>	<b>12,26,785</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**17. Borrowings**

**a) Non-current borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Loan from banks and Others</b>		
Vehicle loans	-	2,38,378
Business loan	1,53,70,242	-
Fixed assets loans	3,82,34,248	4,41,20,067
Unsecured Loan	-	-
<b>Total non-current borrowings</b>	<b>5,36,04,490</b>	<b>4,43,58,445</b>

**b) Current borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current portion of secured term loan from banks</b>		
<b>Secured Loans</b>		
Vehicle loans	2,39,623	3,87,621
Business loan	6,03,22,396	60,52,311
Fixed assets loans	70,32,763	40,34,674
<b>Cash credit limits – Repayable on demand</b>		
Bank of Baroda	12,68,13,676	12,03,06,392
Oriental Bank of Commerce	-	51,34,88,628
Punjab National Bank	72,03,10,153	11,16,82,180
State Bank of India	19,98,00,654	19,98,25,326
PCFC Oriental Bank of Commerce	14,35,54,679	17,75,36,850
PCFC Punjab National Bank	-	7,39,62,803
<b>Unsecured Loans</b>		
Unsecured Loan	20,16,24,394	20,01,11,500
	<b>1,45,96,98,338</b>	<b>1,40,73,88,285</b>
<b>Less: Amount disclosed under 'Other financial liabilities' *</b>	<b>(6,75,94,782)</b>	<b>(1,04,74,606)</b>
<b>Total</b>	<b>1,39,21,03,556</b>	<b>1,39,69,13,678</b>

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 41.

\* Current portion of secured term loan from banks is disclosed under note 20, 'Other financial liabilities'.

**18. Provisions**

**a) Long-term provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
Gratuity	29,55,177	28,00,536
<b>Total</b>	<b>29,55,177</b>	<b>28,00,536</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**b) Short-term provisions**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Gratuity	61,941	59,223
<b>Total</b>	<b>61,941</b>	<b>59,223</b>

**19. Trade payables**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Total outstanding to micro and small enterprises*		
Total outstanding to creditors other than micro and small enterprises	36,76,69,889	25,64,42,874
<b>Total</b>	<b>36,76,69,889</b>	<b>25,64,42,874</b>

\* Based on the information presently available with the management, there are no dues outstanding to micro and small enterprises covered under the 'Micro, Small and Medium Enterprises Development Act, 2006'.

The Company exposure to liquidity risk related to the above financial liabilities is disclosed in Note 41.

Trade Payables are subject to confirmation / reconciliation, consequential adjustment if any.

**20. Other financial liabilities**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Current maturities of non-current borrowings	6,75,94,782	1,04,74,606
Unclaimed dividend	16,75,105	20,18,606
Bank overdrafts	-	1,58,12,300
<b>Total</b>	<b>6,92,69,887</b>	<b>2,83,05,512</b>

**21. Other liabilities, current**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Advance from customers*	10,97,400	18,50,54,157
Advance received against assets held for sale#	55,00,000	1,29,00,000
Accrued expenses	67,94,283	1,32,47,270
Other Liabilities	48,10,624	4,90,000
Statutory dues payable	6,68,39,476	7,44,50,077
<b>Total</b>	<b>8,50,41,783</b>	<b>28,61,41,504</b>

\*Advance from customers are subject to confirmation / reconciliation, consequential adjustment if any.

# During the year under consideration, The company has written back an amount of Rs. 1,29,00,000/- due to non-compliance of terms & conditions of MOU dated 05/03/2020 against sale of Office No. 404 in the Building known as "Express Zone", Western Express Highway, Malad (East) Mumbai, Maharashtra. However the amount written off is subject to acknowledgement by the buyers as negotiations are still going on with the buyers against the said property.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**22. Revenue from operations**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from operations</b>		
Sale of products	1,15,58,41,251	1,87,40,52,549
Sale of Services	59,36,053	4,78,33,050
<b>Total</b>	<b>1,16,17,77,304</b>	<b>1,92,18,85,599</b>

**23. Other income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Foreign exchange fluctuation gain	69,05,251	-
Interest income	56,10,016	1,24,52,368
Rebates and discounts received	12,71,286	4,57,53,391
Profit/loss on sale of fixed assets	38,46,181	-
Short Term Capital Gain & Loss	(30,76,736)	
Other Receipts	2,65,14,054	8,43,444
Rental income	45,04,716	31,50,477
Export incentive	-	78,75,068
<b>Total</b>	<b>4,55,74,768</b>	<b>7,00,74,747</b>

**24. Cost of material consumed\***

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening inventory of raw material, work in progress and finished goods	1,09,41,50,514	1,05,72,96,674
Add: Purchases (including direct expenses and overheads)	96,06,25,495	1,67,60,42,195
Less: Closing inventory of raw material, work in progress and finished goods	(1,00,55,63,960)	(1,09,41,50,514)
<b>Total</b>	<b>1,04,92,12,049</b>	<b>1,63,91,88,355</b>

**Details of inventory**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Closing Inventory*</b>		
Inventory of raw material, work in progress and finished goods	1,00,55,63,960	1,09,41,50,514

**25. Purchase of traded goods\***

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of traded goods ( including direct expenses and overheads)	-	-
	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**26. Change in inventory\***

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Closing stock of traded goods and real estate inventory	1,04,86,671	1,04,86,671
	1,04,86,671	1,04,86,671
<b>(Increase)/ Decrease in Inventory (traded goods and real estate inventory)</b>	<b>-</b>	<b>-</b>

\*The Company is in the business of High End additives and rubber-plastic compounds and accordingly deals in numerous items such as Tin Alloy / Ingots, 2 Ethylhexyl Thioglycolate, Tinmate, Hydrogen Peroxide, PVC Resin, Styrene Butadiene Copolymer, Styrene Butadiene Styrene, Methyl Chloride (Gas) etc. Keeping in view the nature of industry and vast number of items, it is not practical for the Company to give item wise break up of different type of products.

**27. Employee benefit expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	2,13,56,802	2,68,44,267
Contribution to provident and other funds	9,19,845	14,34,436
Staff welfare expenses	17,38,017	29,99,642
<b>Total</b>	<b>2,40,14,664</b>	<b>3,12,78,345</b>

\*'Salaries, wages and bonus' includes gratuity and other post-employment benefits. Refer note 33 for details.

**28. Depreciation expense**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on tangible assets	3,96,30,885	4,76,80,251
<b>Total</b>	<b>3,96,30,885</b>	<b>4,76,80,251</b>

**29. Finance costs**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest expenses</b>		
- On borrowings	15,22,55,523	16,64,58,991
- On others	86,391	4,24,362
Other financing charges	2,92,81,062	2,71,92,150
<b>Total</b>	<b>18,16,22,976</b>	<b>19,40,75,503</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**30. Other expenses**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Freight outward	1,14,85,201	4,51,61,646
Legal and professional	95,13,329	1,19,70,540
Statutory Audit Fees	-	10,00,000
Directors' sitting fees	40,000	80,000
Travelling and conveyance	16,54,702	35,72,760
Profit/loss on sale of fixed assets	-	78,82,023
Donation	67,400	6,39,901
Corporate social responsibility expenditure	-	52,00,000
Insurance	65,26,498	88,85,902
Electricity Expenses	8,88,712	9,58,094
Loading and unloading expenses	5,93,286	21,74,839
Security Charges	18,94,623	26,82,856
Advertisement and promotion	3,16,028	27,40,260
Repairs and maintenance		
Plant and machinery	22,02,103	44,78,641
Buildings	4,20,213	1,39,468
Others	13,85,101	2,97,219
Printing and stationery	3,01,186	5,59,249
Postage and courier	40,843	2,21,329
Communication costs	7,56,828	10,91,865
Rent	23,83,110	31,57,424
Foreign exchange fluctuation gain	-	1,93,46,583
Rates and taxes	15,24,097	37,42,620
Vehicle Running Expenses	3,58,037	7,95,192
Miscellaneous expenses	12,54,709	78,50,789
<b>Total</b>	<b>4,36,06,006</b>	<b>13,46,29,201</b>

**Payments to Statutory auditors**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory Audit fees	10,00,000	10,00,000
Taxation and Other matters – fees	15,000	1,35,000
<b>Total</b>	<b>10,15,000</b>	<b>11,35,000</b>

**31. Exceptional items**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Insurance Claim Received (Building, P & M)	-	2,86,73,033
Insurance Claim Received (Inventory)	-	5,50,57,397
<b>Total</b>	<b>-</b>	<b>8,37,30,430</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**32. Earnings per share**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value per share	1.00	1.00
Profit attributable to equity shareholders for computing Basic and Diluted EPS (A)	(14,34,91,440)	1,09,66,674
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	27,98,99,675	27,98,99,675
Diluted effect on weighted average number of equity shares outstanding during the year		
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	<b>27,98,99,675</b>	<b>27,98,99,675</b>
<b>Basic earnings per share (A/B)</b>	<b>(0.51)</b>	<b>0.04</b>
<b>Diluted earnings per share (A/C)</b>	<b>(0.51)</b>	<b>0.04</b>

**33. Employee benefits**

The Company has recognised the following amounts in the statement of profit and loss:

**Defined contribution plan**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Employer's contribution to provident fund	6,08,097	10,09,556
	<b>6,08,097</b>	<b>10,09,556</b>

**Defined benefit plan**

The Company operates a defined benefit gratuity plan, wherein every employee, who has rendered at least five years of continuous service, is entitled to the gratuity benefit equivalent to 15 days of total basic salary last drawn for each completed year of service, in terms of Payments of Gratuity Act, 1972. The Company has taken Group Gratuity Scheme for the employees from the LIC of India. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each reporting period, as required under Ind-AS 19 – Employee Benefits.

**a) Reconciliation of present value of defined benefit obligation:**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Present value of benefit obligation at beginning of year	28,59,759	32,78,834
Current services cost	3,76,522	3,76,791
Interest cost	1,94,326	2,53,008
Benefits paid		-
Re-measurements of Actuarial (gain)/ loss arising from		
- Change in demographic assumptions	-	(1,044)
- Change in financial assumptions	-	3,71,025
- Experience variance (i.e. Actual experience vs. assumptions)	(4,13,489)	(14,18,855)
<b>Present value of benefit obligation at end of year</b>	<b>30,17,118</b>	<b>28,59,759</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**b) Reconciliation of present value of plan assets:**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Fair value of plan assets at beginning of year	5,20,539	4,83,250
Investment income	35371	37,289
Return on plan assets, excluding amount recognised in net interest expense		-
<b>Fair value of plan assets at end of year</b>	<b>5,55,910</b>	<b>5,20,539</b>

**c) Expense recognised in the statement of profit and loss**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Service cost	3,76,522	3,76,791
Interest cost	1,58,955	2,15,719
<b>Total</b>	<b>5,35,477</b>	<b>5,92,510</b>

**d) Amount recognised in other comprehensive income:**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Actuarial (gain)/ losses		
Changes in demographic assumptions	-	(1,044)
Changes in financial assumptions	-	3,71,025
Experience variance (i.e. actuarial experience vs. assumptions)	(4,13,489)	(14,18,855)
Return on plan assets, excluding amount recognised in net interest expense		-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(4,13,489)</b>	<b>(10,48,874)</b>

**e) Assumptions used to determine the benefit obligation are as follows:**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Discount rate	6.80%	6.80%
Expected rate of increase in compensation levels	6.00%	6.00%
Retirement age	60 years	60 years
Withdrawal rates:		
Upto 30 years	3.00%	3.00%
31 – 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality Rate (% of Indian Assured Live Maturity2006-08)

Assumptions regarding future mortality rate are based on published statistics and mortality tables.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**f) Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 16 years. The expected maturity analysis of undiscounted gratuity is as follows:

<b>Expected cash flows over the next (valued on undiscounted basis)</b>	<b>Amount 31-Mar-21</b>	<b>Amount 31-Mar-20</b>
1 year	61,941	59,223
2 to 5 years	2,91,022	2,74,119
6 to 10 years	5,31,821	4,11,116
More than 10 years	91,97,954	93,76,727

**g) Sensitivity analysis**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

<b>Particulars</b>	<b>31-Mar-21</b>		<b>31-Mar-20</b>	
	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount rate (1% movement)	35,22,146	26,02,600	33,62,342	24,50,497
Salary growth rate (1% movement)	25,96,168	35,21,104	24,44,172	33,61,301
Attrition Rate (- / + 50% of attrition rates)	29,91,261	30,39,521	28,35,930	28,79,781
Mortality Rate (- / + 10% of mortality rates)	30,15,824	30,18,406	28,58,531	28,60,981

The sensitivity analyses are based on change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

**34. Operating lease**

The Company has taken various premises on operating leases. The underlying agreements are executed for a period generally ranging from one year to three years except long term leases, renewable at the option of the Company and the lessor. There are no restrictions imposed by such leases and there are no sub leases. The rent charged and minimum rental payments to be made in the future in respect of these operating leases are as under:

<b>Particulars</b>	<b>Year ended 31-Mar-21</b>	<b>Year ended 31-Mar-20</b>
Lease rental charged to the Statement of profit and loss	23,83,110	31,57,424
<b>Obligation on non-cancellable lease*</b>		
Within one year	24,25,326	25,44,323
Later than one year but not later than three years	48,50,652	50,88,645
	<b>72,75,978</b>	<b>76,32,968</b>

\* Obligation related to operational lease of Rajasthan guest house has not been considered due to short term nature.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**35. Contingencies**

**a) Guarantees**

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Bank guarantees issued by banks on behalf of the Company*	3,15,04,000	3,15,04,000
Duty against advance license	88,53,908	88,53,908
<b>Total</b>	<b>4,03,57,908</b>	<b>4,03,57,908</b>

\* Above Figures are stated without considering margin money given by the company, for margin money details please refer Note no. 12

**b) Claims not acknowledged as debts**

Nature of statute	Period to which amount relates	Nature of dues/ demand	Amount
Income Tax Act refered below note no.1	A.Y. 2003-04	Income tax demand	31,44,000
Income Tax Act (refer below point-2)	A.Y. 2008-09	Income tax demand	22,04,386
Income Tax Act (refer below point-3)	A.Y. 2009-10	Income tax demand	19,80,580
Income Tax Act (refer below point-4)	A.Y. 2017-18	Income tax demand	24,74,790
Excise (refer below point-5)	Excise Duty Demand (Sigma Plastic Industries)		31,24,983

- Income Tax case No ITAT-DEL-3752/2015 w.r.to FY 2002-03 was heard before the Income Tax Appealate Tribunal Delhi and passed order on 07.05.2021 considering the application filed by the company under vivaad se vishwas Scheme 2020. The said application was accepted by the PCIT-IX vide its form -3 dated 09.04.2021 . and a sum determined of Rs 1,13,005/- payab;e by the company. The company has paid off such demand vide Challan No-20688 dated 14.04.2021.
- Letter of Request for rectification has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since demand created on account of TDS credit not reflected in 26 AS of relevant year.
- Letter of Request for rectification has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since demand created on account of TDS credit not reflected in 26 AS of relevant year.
- Letter of Request for rectification u/s 154 has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since Assessment order passed u/s 143(3) for the A.Y. 2017-18, carries mistake apparent from records.
- The Company acquired 100% share in Sigma Plastic Industries, which was merged in the Company during financial year 2014-15. Accordingly, pending litigation of Sigma Plastic Industries has also become part of pending litigation of the Company.

The Company has filed civil suit against ADM Agro Industries Kota and Akola Limited supplier of Soya Bean Oil in Saket Court Delhi (Case No-CS OS No.-198/214) amounting Rs. 99,61,516 due to poor supply of soya bean oil. The Company has suffered a loss due to such poor quality of material supplied by them and non-recovery of money from debtors and it also affect goodwill of the Company. ADM Agro Industries Kota and Akola Limited has also filed winding up petition against the Company in High Court (Case No. CO PET N. 64/2014) due to non-payment of Rs. 41,15,664 along with interest at the rate of 18% from the due date of payment. ADM Agro Industries Kota and Akola Limited has also filed a summary suit for recovery of debts in Tis Hazari Court (Summary Suit No. – C S (OS) 3077/2014).

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
**(All amounts in Indian rupees, except share data or if otherwise stated)**

The Directorate of Enforcement, Delhi Zonal Office, New Delhi has issued a provisional attachment order ("Order") bearing number 04/2020 and file number ECIR/10/DZ-1/2017/16962 under Section 5(1) of the Prevention of Money Laundering Act, 2002 ("PMLA") against our Company and its Promoter/ Director Mr. Vikas Garg and other third parties. Through the said attachment, our bank account UCO Bank at Parliament Street, New Delhi Branch maintained with has been attached for an amount of Rs. 7,15,533/-.

**36. Capital commitment**

<b>Particulars</b>	<b>Year ended 31-Mar-21</b>	<b>Year ended 31-Mar-20</b>
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)*	30,36,754	30,36,754

\* The Company has intended to purchase the property for Rs. 18,25,01,400 at New Rohtak Road, New Delhi. The Company has made the payment of Rs. 17,94,64,646/- for the same till 31 March 2021, which is shown as per Note No. 8 under "other non-current assets" in the Balance Sheet. Balance payment and the registration will be done in upcoming years and the same will be registered in the name of the Company after completing all the formalities after taking over possession of units.

**37. Fair value measurement and financial instruments**

**Financial instruments – by category and fair value hierarchy**

The following table shows the carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy:

<b>Financial assets</b>	<b>Carrying Amount</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>- At amortised cost</b>		
Loans	48,17,379	21,51,958
Investments in Shares	6,59,761	-
Trade receivables	86,37,95,498	1,08,02,10,508
Cash and cash equivalents	31,98,848	30,96,991
Other bank balances	8,65,01,721	9,02,27,093
Other financial assets	43,14,856	44,90,170
<b>Total</b>	<b>96,32,88,062</b>	<b>1,18,01,76,721</b>

<b>Financial liabilities</b>		
<b>- At amortised cost</b>		
Borrowings (non-current)	5,36,04,490	4,43,58,445
Borrowings (current)	1,40,66,90,662	1,39,69,13,678
Trade payables	36,76,69,889	25,64,42,874
Other financial liabilities	6,92,69,887	2,83,05,512
<b>Total</b>	<b>1,89,72,34,928</b>	<b>1,72,60,20,510</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

	Fair Value	
	31-Mar-21	31-Mar-20
<b>Financial assets</b>		
<b>- At amortised cost</b>		
Loans	48,17,379	21,51,958
Investments in Shares	6,59,761	0
Trade receivables	86,37,95,498	1,08,02,10,508
Cash and cash equivalents	31,98,848	30,96,991
Other bank balances	8,65,01,721	9,02,27,093
Other financial assets	43,14,856	44,90,170
<b>Total</b>	<b>96,32,88,062</b>	<b>1,18,01,76,721</b>

**Financial liabilities**

<b>- At amortised cost</b>		
Borrowings (non-current)	5,36,04,490	4,43,58,445
Borrowings (current)	1,39,21,03,556	1,39,69,13,678
Trade payables	36,76,69,889	25,64,42,874
Other financial liabilities	6,92,69,887	2,83,05,512
<b>Total</b>	<b>1,88,26,47,822</b>	<b>1,72,60,20,510</b>

The following methods / assumptions were used to estimate the fair values:

- The carrying value of cash and cash equivalents, trade receivables and trade payables and liabilities approximate their fair values mainly due to short-term maturities of these instruments.
- The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The Company's borrowings have been contracted at floating rate of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. Borrowings (current) includes unsecured loan accepted from Director of the company amounting to Rs. 10,22,50,000/- (other than amount adjusted against right issue in FY 21-22) for two years tenure has been discounted using the rate 8.00% p.a and stated at amortised cost of Rs. 8,76,62,894/-.

There are no significant unobservable inputs used in the fair value measurement.

**Fair value hierarchy**

All financial instrument for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

<b>Financial assets</b>	<b>Level</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>- At amortised cost</b>			
Loans	Level 3	48,17,379	21,51,958
Investments in Shares	Level 3	6,59,761	-
Trade receivables	Level 3	86,37,95,498	1,08,02,10,508
Cash and cash equivalents	Level 3	31,98,848	30,96,991
Other bank balances	Level 3	8,65,01,721	9,02,27,093
Other financial assets	Level 3	43,14,856	44,90,170
<b>Total</b>		<b>96,32,88,062</b>	<b>1,18,01,76,721</b>

<b>Financial liabilities</b>			
<b>- At amortised cost</b>			
Borrowings (non-current)	Level 3	5,36,04,490	4,43,58,445
Borrowings (current)	Level 3	1,39,21,03,556	1,39,69,13,678
Trade payables	Level 3	36,76,69,889	25,64,42,874
Other financial liabilities	Level 3	6,92,69,887	2,83,05,512
<b>Total</b>		<b>1,88,26,47,822</b>	<b>1,72,60,20,510</b>

During the year ended 31 March 2021, there were no transfers between Level 1, Level 2 or Level 3 fair value measurements.

### 38. Related party disclosures

In accordance with the requirements of Ind-AS - 24 "Related Party Disclosures", the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

#### A. List of related parties

##### 1. Company with common Director

Vikas Multicorp Limited

##### 2. Key management personnel (KMP)

Vikas Garg	Managing Director
Vivek Garg	Whole time Director
Suresh Kumar Dhingra	Whole time Director
Dinesh Bhardwaj	Chief Executive Officer
Amit Dhuria	Chief Financial Officer
Pooja Vanjani	Ex-Company Secretary
Prashant Sajwani	Company Secretary

\* Prashant Sajwani has been appointed as Company Secretary w.e.f 31.07.2020.

##### 3. Relative of Key management personnel (KMP)

Seema Garg

Related party transactions represent transactions entered into by the Company with directors, key management personnel and relatives of key management personnel. The transactions with these related parties for the year ended 31 March 2021 and balances as at 31 March 2021 are described below:

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

Nature of transaction	Company with common director	KMP and relative	Total
Sales	22,41,24,189	-	22,41,24,189
Purchases	43,39,934	-	43,39,934
Advance against supplies	7,02,73,913	-	7,02,73,913
Trade Receivable	17,49,79,223	-	17,49,79,223
Rent paid	-	4,93,056	4,93,056
Director remuneration	-	15,56,333	15,56,333
Director sitting fees	-	40,000	40,000
Salary and allowances to KMP*	-	26,72,456	26,72,456
	<b>47,37,17,259</b>	<b>47,61,845</b>	<b>47,84,79,104</b>
<b>Balances as at 31 March 2021</b>			
Unsecured Loan	-	20,16,24,394	20,16,24,394
Advance against supplies	7,02,73,913	-	7,02,73,913
Trade Receivable	17,49,79,223	-	17,49,79,223
Other current Liabilities	-	6,22,240	6,22,240

\* Segregation of post-employment benefit plans of gratuity for individuals cannot be ascertained.

**Terms and conditions of transactions with related parties:**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**39. Status of Insurance Claim**

The company has reported exceptional item on account of fire loss of Unit-II of RIICO Industrial Area, Shahjahanpur, Alwar, Rajasthan, in the financial statement for the year ended 31.03.2017. Now the Company has received insurance claim of Rs. 8,37,30,430/- on 20.09.2019 and in accordance with the accounting policies, the Company has accounted the proceeds from insurance claim in the Financial year 2019-20 and accordingly consider the same as income and it is reflecting under "Exceptional items" as per Note no. 31. However, the Company has already filled objection with respect to short amount of insurance claim received from OIC.

**40. Impact of Covid-19**

The Company had closed its manufacturing plants and offices with effect from March 22, 2020 following countrywide lockdown due to Covid-19. Subsequent to the year end, the Company's manufacturing facilities and offices had resumed operations in gradual manner, in later part of the first quarter of the current fiscal, adhering to the safety norms prescribed.

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventories, and trade receivables and based on the current estimates, the Company expects the carrying amount of these assets will be recovered.

Further, the management believes that there is impact of Covid-19 pandemic on performance of the Company in the short term but no significant impact on financial position and performance is likely in long-term. The Company will continue to closely monitor any material changes to future economic conditions.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Indian rupees, except share data or if otherwise stated)

**41. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade payables etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Company is exposed to market risk (interest rate risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

**Market Risk – Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's borrowings with floating interest rates.

**Exposure to interest rate risks**

The Company's interest rate risk arises majorly from the borrowings carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

<b>Variable rate instruments</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Secured loan from banks (including current maturities)	1,31,14,38,811	1,25,10,09,230

**Interest rate sensitivity analysis**

A reasonably possible change of 0.5% in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

<b>Particulars</b>	<b>Statement of Profit and Loss 31.03.2021</b>		<b>Statement of Profit and Loss 31.03.2020</b>	
	<b>0.5% Increase</b>	<b>0.5% Decrease</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>
Interest on loan				
For the year ended 31 March 2021	64,06,120	(64,06,120)	66,03,720	(66,03,720)



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
**(All amounts in Indian rupees, except share data or if otherwise stated)**

**Credit risk**

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Trade receivables	10	86,37,95,498	1,08,02,10,508
Cash and cash equivalents	11	31,98,848	30,96,991
Other bank balances	12	8,65,01,721	9,02,27,093
Other financial assets	13	43,14,856	44,90,170

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is generally limited as the Company transacts with Banks having a high credit ratings assigned by domestic credit rating agencies.

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

**VIKAS GARG**  
**(MANAGING DIRECTOR)**  
**00255413**

**SURESH KUMAR DHINGRA**  
**(DIRECTOR)**  
**03513272**

**CA.SACHIN SINGHAL**  
**Membership No.: 505732**  
**UDIN: 21505732AAAACZ7970**

**PRASHANT SAJWANI**  
**(COMPANY**  
**SECRETARY)**

**AMIT DHURIA**  
**(CHIEF FINANCIAL**  
**OFFICER)**

**DINESH BHARDWAJ**  
**(CHIEF EXECUTIVE**  
**OFFICER)**

**Place: NEW DELHI**  
**Date: 14.07.2021**



If undelivered, please return to:

**VIKAS ecOTECH LTD.**

**Regd. Office: Vikas Apartment, 34/1,  
East Punjabi Bagh, New Delhi-26**

**Website : [www.vikasecotech.com](http://www.vikasecotech.com)**