



AMBANI ORGANICS LIMITED

ANNUAL REPORT

2018-2019

CORPORATE INFORMATION

Board of Directors and Key Managerial Personnel:

| | |
|--|---|
| Apooni Rakesh Shah (DIN: 00503116) | Chairman & Wholetime Director |
| Rakesh Hasmukhlal Shah (DIN: 00503074) | Managing Director |
| Sharad P Kothari (DIN: 08029922) | Non-Executive Director |
| Sanjay Natwarlal Mehta (DIN: 08100745) | Independent Director |
| Prakash Anna Mahanwar (DIN: 08100755) | Independent Director |
| Dilipkumar Mehta (DIN : 08122334) | Non-Executive Director |
| Paresh Harsuklal Shah | CEO (KMP) |
| Bhavesb Babulal Pandya | CFO (KMP) |
| Vaijanti Vinod Sawant | Company Secretary and Compliance Officer (appointed w.e.f. 09 th August, 2018) |

OTHER INFORMATION

Registered Office: N 44 MIDC Tarapur, Boisar Thane 401506

Corporate Office: 801, 8th Floor, "351-ICON", Next to Natraj Rustomji, W.E. Highway, Andheri (East), Mumbai-400069, India.

Tel/Fax: 022 26833778/26827541/ 26822027/2028

Web: www.ambaniorganics.com

E-Mail id: [ambaniorganics@rediffmail.com/](mailto:ambaniorganics@rediffmail.com)
info@ambaniorganics.com

Secretarial Auditor:

Mayank Arora & Co.
Company Secretaries
Office no. 268, 2nd Floor,
Udyog Bhavan, Sonawala Road,
Goregaon (East), Mumbai - 400 063.
M: +91-9324254455
L: 022-49735566
Email Id: cs@mayankarora.co.in
Website: www.mayankarora.co.in

Listing:

National Stock Exchange of India Ltd
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051
Listed w.e.f. 18.07.2018

Banker:

Union Bank of India, Mumbai

Statutory Auditors:

M/s. Shambhu Gupta & Co
Chartered Accountants,
512-513, Manish Chamber,
Opp Hotel Karan Palace,
Sanawala Road, Goregaon (East),
Mumbai- 400063, Maharashtra
Tel No.: 022-42661638/40214937
Email id: shambhu.gupta@gmail.com
Contact Person: Partner CA Rajkumar Khatod

Registrar & Transfer Agent:

Universal Capital Securities Pvt Ltd.
21, Shakil Niwas, Opp. Satya Saibaba Temple
Mahakali Caves Road, Andheri (East),
Mumbai - 93
T:+91 (22) 2820 7203-05 / 2825 7641
F: +91 22 2820 7207
Website: www.unisec.in

Contact Details for Investors:

801, 8th Floor, "351-ICON", Next to Natraj Rustomji, W.E.Highway, Andheri (East), Mumbai-400069, India.

Tel/Fax: 022 26833778/26827541/ 26822027/2028

Web: www.ambaniorganics.com

E-Mail id: [ambaniorganics@rediffmail.com/](mailto:ambaniorganics@rediffmail.com)
info@ambaniorganics.com

LETTER TO SHAREHOLDERS

Dear Shareholders,

I Rakesh Hasmukhlal Shah (Managing Director), heartily welcome you all, having joined **AMBANI ORGANICS LIMITED** family with your participation in our maiden public offer. It is my desire and wish that this association of ours, will strengthen our hands in to reach glorious heights.

We are fortunate and humbled by the response received for the Initial Public Offering (IPO) of the shares of Ambani Organics Limited, which was listed in the financial year 2018-19 on 18th July, 2018 on NSE EMERGE SME Platform.

The support given to the IPO was very heart warming and I would like to thank all our investors for showing confidence and trust in management capabilities of Ambani Organics Limited.



AMBANI ORGANICS LIMITED

CIN: U24220MH1985PLC036774

Regd Office: N 44 MIDC Tarapur, Boisar Thane-401506

Corporate Office: 801,8th Floor,"351-ICON", Next to Natraj Rustomji, W.E.Highway, Andheri (East), Mumbai-400069

Ph- 022 26833778/26827541/ 26822027/2028

Web: www.ambaniorganics.com

E-Mail id: ambaniorganics@rediffmail.com/ info@ambaniorganics.com

NOTICE

Notice is hereby given that 33rd Annual General Meeting of the members of **Ambani Organics Limited** will be held on Saturday, 28th September, 2019 at 01:00 p.m. at the registered office of the Company situated at N 44 MIDC Tarapur, Boisar Thane - 401506 to transact the following businesses :-

ORDINARY BUSINESS:

1. Adoption of Financial Statement

To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.

2. Re- appointment of Mr. Sharad P Kothari (DIN: 08029922) as a Director liable to retire by rotation

To appoint a director in place of Mr. Sharad P Kothari (DIN: 08029922) the Director who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

Date: 27th August, 2019

Place: Mumbai

For Ambani Organics Limited

Sd/-

Rakesh Shah

Managing Director

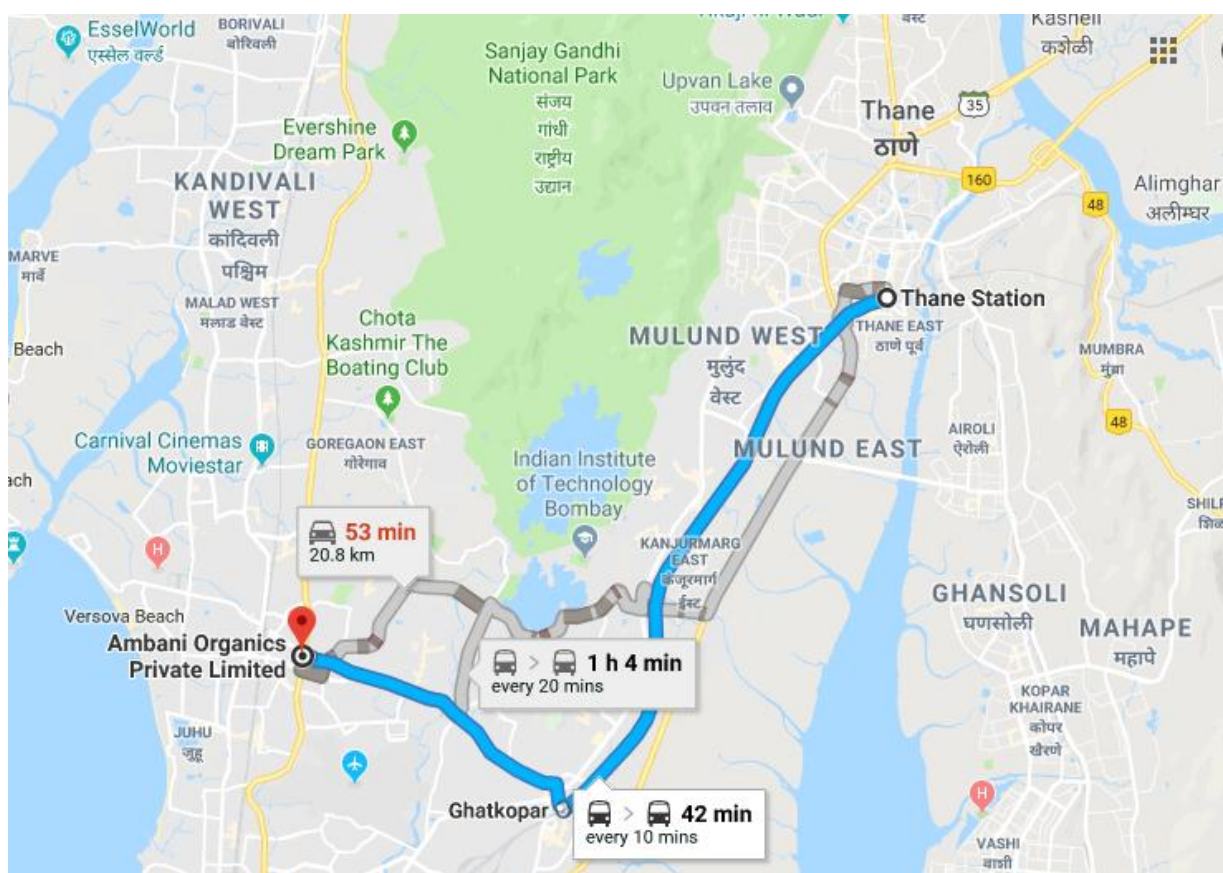
(DIN: 00503074)

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member. A person can act as a proxy on behalf of members, not exceeding fifty and in the aggregate not more than 10% of the total share capital of the company, carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The proxy forms should be lodged with the Company at its Registered Office at least 48 hours before commencement of the meeting.
2. Members may note that the details of the Director seeking re-appointment as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) forms an integral part of the notice. Requisite declarations have been received from the Director for seeking his / her re-appointment.
3. Relevant documents and registers will be available for inspection by the members at the Registered Office of the Company on the date of AGM.
4. The instrument of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.
5. Members/Proxy holder/Authorised Representative are requested to bring duly filled Attendance Slip enclosed herewith along with their copy of the Notice to attend the Meeting.
6. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
7. Electronic copy of the Notice is being sent to all the Members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice is being sent in the permitted mode. Members may note that this Notice will also be available on the Company's website i.e. www.ambaniorganics.com
8. The Corporate Members intending to send their authorized representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the AGM.
9. The register of members and transfer books of the company shall remain closed from Saturday, 21st September, 2019 to Saturday, 28th September, 2019 (both days inclusive) for

this Annual General Meeting and for determining the names of members eligible for dividend on Equity Shares, if declared at a meeting.

10. The Annual Report of the Company, circulated to the Members of the Company will also be made available on the Company's website at www.ambaniorganics.com
11. In compliance with Section 108 of the companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and regulation 44 of the Listing Regulation, the company is not providing e-voting facility as SME listed company is not required to provide e-voting facility to its Shareholders.
12. The route map showing directions to reach the venue of the AGM is annexed and forms part of the Notice.



Detail of Director Seeking re-appointment at the 33rd Annual General Meeting of the Company.

| | |
|--|---|
| Name of Director | Mr. Sharad P Kothari |
| DIN | 08029922 |
| Nationality | Indian |
| Date of Appointment | 20/12/2017 |
| Expertise in Specific Functional Area | Experience of over 50 years of experience in domestic marketing |
| Qualifications | B.Sc. |
| Listed Companies in which he holds directorship and the Board Committee membership/chairpersonship | NIL |
| Number of shares held in the company | NIL |
| Disclosure of relationships between directors inter-se | Sharad Kothari is the father of Apooni Shah and father in-law of Rakesh Shah. |

Save and except Mr. Sharad P Kothari and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the notice.

By order of the Board

Date: 27th August, 2019

For Ambani Organics Limited

Place: Mumbai

Sd/-
Rakesh Shah
Managing Director
(DIN: 00503074)

BOARD OF DIRECTOR'S REPORT

To,
The Members,
AMBANI ORGANICS LIMITED

The Board of Directors of your Company take pleasure in presenting the standalone and consolidated reports on the operational and business performance, along with the audited financial statements for the financial year ended March 31, 2019.

KEY FINANCIALS:

The financial performance of the Company for the financial year ended March 31, 2019, is summarized below:

| Particulars | Standalone | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2018-19 (Rs.) | 2017-18 (Rs.) | 2018-19 (Rs.) | 2017-18 (Rs.) |
| Revenue from Operations (Net of Excise) and Other Income | 801,572,126 | 655,814,834 | 801,574,521 | 655,814,834 |
| Other Expenses excluding finance cost and depreciation | 742,048,862 | 606,387,842 | 742,321,024 | 607,444,614 |
| Finance Charges | 24,894,824 | 20,992,344 | 24,894,824 | 20,993,115 |
| Depreciation | 6,303,802 | 5,966,260 | 6,749,414 | 6,378,650 |
| Profit before exceptional items and Tax | 28,324,637 | 22,468,388 | 27,609,256 | 20,998,455 |
| Exceptional Items | 3,602,661 | 7,635 | 3,602,661 | (101,205) |
| Profit before Tax | 24,721,976 | 22,460,753 | 24,006,595 | 21,099,660 |
| Provision for Tax: | | | | |
| • Current tax | 5,089,464 | 4,579,489 | 5,089,464 | 4,579,489 |
| • MAT Credit entitlement | (5,089,464) | (4,579,489) | (5,089,464) | (4,579,489) |
| • Tax adjustment of earlier year | - | 264,949 | - | 264,949 |
| • Deferred tax | (6,618,832) | (5,429,994) | 6,739,836 | (3,164,309) |
| Net Profit After Tax | 18,103,145 | 16,765,810 | 17,266,759 | 17,670,402 |
| Profit carried to Balance Sheet | 18,103,145 | 16,765,810 | 17,266,759 | 17,670,402 |

1. FINANCIAL HIGHLIGHTS

Standalone:

During the year under review, the sales and other income increased from Rs. 655,814,834/- to Rs. 801,572,126/- as compared to previous year. The Net Profit after tax stood at Rs. /- 18,103,145 as against profit of Rs. 16,765,811/- in the previous year.

Consolidated:

During the year under review, the sales and other income increased from Rs. 655,814,834/- to Rs. 801,574,521/- as compared to previous year. The Net Profit after tax stood at Rs. 17,266,759/- as against profit of Rs. 17,670,402 /- in the previous year.

2. CAPITAL STRUCTURE

The Authorized Share Capital of the Company is Rs. 70,000,000/- (Rupees Seven Crores) divided into 7,000,000 (Seven Lakhs) Equity shares of Rs. 10/- each.

The paid up Equity Share Capital as at March 31, 2019 stood at Rs. 50,786,590/- (Rupees Five Crore Seven Lakhs Eighty Six Thousand Five Hundred and Ninety).

3. CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

Pursuant to section 14 and other applicable provisions and rules, of the Companies Act 2013, approval of members was accorded to the conversion of the status of Company from “Ambani Organics Private Limited” to Ambani Organics Limited” in the Extra Ordinary Meeting of the Company held on 31st December, 2017. The Registrar of Companies, Mumbai issued Fresh Certificates of Incorporation consequent upon conversion from Private Company to Public Company and the CIN allotted to the Company by the Fresh Certificates of Incorporation post conversion is U24220MH1985PLC036774.

4. INITIAL PUBLIC OFFER AND LISTING OF SHARES

During the year under review your Company entered into capital market with an initial public issue 13,68,000 Equity Shares of Rs. 10.00 each for cash at a price of Rs. 66.00 per share aggregating Rs. 902.88 lacs, consisting of fresh issue of 12,68,000 equity shares and offer for sale by promoters of 1,00,000 equity shares

The Company has received the trading approval for total 50, 78,659 Equity Shares on SME Platform of NSE Limited with effect from 18th July, 2019 having the symbol “AMBANIORG”.

The Company confirms that the annual listing fee to NSE Limited for the financial year 2018-19 has been paid.

5. DIVIDEND

In order to preserve funds for future business endeavours, your directors do not recommend any dividend.

6. DEPOSIT

Your Company did not raise any public deposit during the year. There was no public

outstanding as at the beginning or end of the year ended on 31st March, 2019.

7. CHANGES IN NATURE OF BUSINESS

There is no significant change made in the nature of the company during the financial year.

8. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with the workers and employees at all levels.

9. NAME OF THE COMPANIES, WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has two Subsidiary Companies i.e. Omega Woven Mills Private Limited and Om Maruti Glasswool & Wirenetting Products Private Limited. However, the Company does not have any Joint Venture and Associate Company.

Performances of Subsidiaries are as follows:

The Total revenue of Omega Woven Mills Private Limited stood at Rs. NIL/- (Previous year Rs. NIL/-) and Net loss for the year stood at Rs. 155,409/- (Previous year Loss Rs. 650,803/-)

The total revenue Om Maruti Glasswool & Wirenetting Products Private Limited stood at Rs. NIL/- (Previous year Rs. NIL/-). and Net loss for the year stood at Rs. 680,976/-(Previous year Net Profit Rs. 1,555,396/-)

The details of the same are given in **Form AOC-1** as “**Annexure A**” forming part of Annual Report. The details of the Policy on determining Material Subsidiary of the Company is available on Company’s website.

10. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company’s risk management. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company.

11. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company on various activities also puts necessary internal control systems in place to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources.

12. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Particulars of contract or arrangements with related parties is annexed herewith in **Form AOC 2** as "**Annexure - B**"

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders passed by any Regulators or Court or Tribunal which would impact the going concern status of the Company and its future operations.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details relating to loans or guarantees or investments covered under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2018-19 forms part of the Financial Statement.

15. TRANSFER TO RESERVES

During the financial year 2018-19 under review, the Company does not propose to transfer any amount to General Reserve.

16. DIRECTORS

Retire by Rotation- Sharad P Kothari

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sharad P Kothari, Director (DIN: 08029922) of the company is liable to retire by rotation in the 33rd Annual General Meeting and being eligible, he offer himself for re-appointment.

Change in Directors and Key Managerial Personnel

During the Year, Mr. Prakash Anna Mahanwar (DIN: 08100755), Mr. Sanjay Natwarlal Mehta (DIN: 08100745) appointed as an additional Independent Director w.e.f. 02nd April, 2018 and Mr. Dilipkumar Mehta (DIN: 08122334) appointed as additional Director w.e.f. 28th April, 2018. Further Designation of Mr. Sharad Kothari (DIN: 08029922) was changed from Executive Director to Non-Executive Director.

17. KEY MANAGERIAL PERSONNEL

Pursuant to the Section 2(51) and provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Key Managerial Personnel (KMP) of the Company as on 31st March, 2019 are as follows:

- Mr. Rakesh Hasmmukhlal Shah (DIN: 00503074), Managing Director of the Company.
- Mr. Paresh Harsukhlal Shah, Chief Executive Officer (CEO) of the Company appointed as on 02nd April, 2018.
- Mr. Bhavesh Babulal Pandya, Chief Financial Officer (CFO) of the Company appointed as on 02nd April, 2018.
- Ms. Vaijanti Vinod Sawant, Company Secretary & Compliance Officer of the Company.

a. Declaration by Independent Directors:

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Director in terms of Section 164 (2) of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the time of appointment of an Independent Director, the Company issued a formal letter of appointment outlining his / her role, function, duties and responsibilities as a director. The formal letter of appointment is hosted on the website of the Company.

b. Familiarization programme for Independent Director:

The Company proactively keeps its Directors informed of the activities of the Company, its Management and operations and provides an overall industry perspective as well as issues being faced by the industry.

18. BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the performance evaluation of the chairman and non-Independent Directors was carried out by the Independent Directors in their separate Meeting who also reviewed the performance of the Board as whole.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation of the Board of Directors

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and Composition, effectiveness of Board process, information and functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meeting and guidance /support to the Management outside Board/Committee

Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement of all Board Members.

Evaluation of Independent Directors was done by the entire Board, excluding the director being evaluated.

19. MEETING OF BOARD OF DIRECTORS

A) Number of Board Meetings in the year (2018- 19)

The Board met 11 times during the financial year 2018-19 on 02/04/2018, 09/04/2018, 20/04/2018, 28/04/2018, 02/05/2018, 27/06/2018, 14/07/2018, 09/08/2018, 01/09/2018, 13/11/2018, and 30/03/2019; the intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

B) Attendance of Directors at Board meetings held during the year:

| Sr. No. | Name of Director | Category of Director | No. of Board Meetings attended | Attendance at the last AGM |
|---------|--|----------------------|--------------------------------|----------------------------|
| 1 | Rakesh Hashmukhlal Shah (DIN: 00503074) | Managing Director | 11 | Yes |
| 2 | Apooni Rakesh Shah (DIN: 00503116) | Whole time Director | 11 | Yes |
| 3 | Sharad P Kothari (DIN: 08029922) | Executive Director | 11 | Yes |
| 4 | Sanjay Natwarlal Mehta (DIN: 08100745) | Independent Director | 10 | Yes |
| 5 | Prakash Anna Mahanwar (DIN: 08100755) | Independent Director | 10 | Yes |
| 6 | Dilipkumar Mehta (DIN: 08122334) | Director | 07 | Yes |

- Mr. Sanjay Mehta and Mr. Prakash Mahanwar were appointed w.e.f. 02.04.2018 and Mr. Dilip Mehta was appointed w.e.f. 28.04.2018

20. COMMITTEES OF THE BOARD:

There are currently three committees of the Board which are as follows:

- a. Audit Committee
- b. Nomination & Remuneration Committee
- c. Stakeholder's Relationship Committee

The Composition of the committees and relative compliances, are in line with the applicable provisions of the Companies Act, 2013 read with Rules and Listing Regulations. Details of term of reference of the Committees, Committees' Membership and attendance at Meetings of the Committees are provided as follows:

a. Audit Committee:

The Composition and quorum of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013. All members of the Audit Committee possess financial/accounting expertise/exposure.

The Audit committee met Four (5) times during the Financial Year 2018-19. The Committee met on 09th April, 2018, 02nd May August, 2018, 09th August, 2018 13th November, 2018, 30th March, 2019. The Necessary quorum was present for all Meetings. The table below provides composition and attendance of the Audit Committee.

| SR NO. | NAME | CATEGORY | MEETINGS ATTENDED |
|--------|----------------------------|---|-------------------|
| 1 | Mr. Sanjay Natwarlal Mehta | Chairman & Independent Non-Executive Director | 5 of 5 |
| 2 | Mr. Rakesh Hashmuklal Shah | Managing Director | 5 of 5 |
| 3 | Mr. Prakash Anna Mahanwar | Independent Non-Executive Director | 5 of 5 |

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting and its Compliances with the legal and regulatory requirements. The committee oversees the work carried out in the financial reporting process by the Management and the Statutory Auditors and, note the process and safeguards employed by each of them.

Term of reference:

The term of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Obligation Requirements (including any statutory modification(s) or re-enactment or amendment thereof.

b. Nomination & Remuneration Committee:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination & Remuneration committee met Two (2) times during the Financial Year 2018-19. The Committee met 09th April, 2018 and 09th August, 2018, A brief detail of the policy is posted on the website of the Company i.e. www.ambaniorganics.com. The table below provides composition and attendance of the Nomination and Remuneration Committee.

| SR NO. | NAME | CATEGORY | MEETINGS ATTENDED |
|--------|------------------------|---|-------------------|
| 1 | Prakash Anna Mahanwar | Chairman & Independent Non-Executive Director | 2 of 2 |
| 2 | Sanjay Natwarlal Mehta | Independent Non-Executive Director | 2 of 2 |
| 3 | Sharad Kothari | Non-Executive Director | 2 of 2 |

c. Stakeholders Relationship Committee:

The Board has reconstituted Shareholders'/Investors Grievance Committee as Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013.

The Stakeholders Relationship Committee met Four (4) times during the Financial Year 2018-19. The Committee met on 09th April, 2018, 09th August, 2018, 13th November, 2018 and 30th March, 2019. The necessary quorum was present for all Meetings. The table below provides composition and attendance of the Stakeholders Relationship Committee.

| SR NO. | NAME | CATEGORY | MEETINGS ATTENDED |
|--------|--------------------|-----------------------------------|-------------------|
| 1 | Mr. Sharad Kothari | Chairman & Non-Executive Director | 4 of 4 |
| 2 | Mrs. Apooni Shah | Director | 4 of 4 |
| 3 | Mr. Rakesh Shah | Director | 4 of 4 |

21. MEETING OF MEMBERS

During the year, 32nd Annual General Meeting of the Company was held on 27th September, 2018 and two Extra Ordinary General Meeting were held on 7th April, 2018 and 12th April, 2018.

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

The Company was originally incorporated as a private company. Subsequently after its conversion from private to public company vide MCA Approval dated 7th March, 2018 the name of the company was changed to Ambani Organics Limited.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

(a) Conservation of energy

| | | |
|-------|--|-----|
| (i) | the effort made towards technology absorption | Nil |
| (ii) | the benefits derived like product improvement cost reduction product development or import substitution | Nil |
| (iii) | in case of imported technology (important during the last three years reckoned from the beginning of the financial year) | Nil |
| | (a) the details of technology imported | |
| (iv) | (b) the year of import; | Nil |
| | whether the technology been fully absorbed; | |
| | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof. | |
| | the expenditure incurred on Research and Development | |
| (i) | the effort made towards technology absorption | Nil |

(b) Technology absorption

| | | |
|-------|---|--|
| (i) | the steps taken or impact on conservation of energy | Company's operation does not consume significant amount of energy. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy. | Not applicable, in view of comments in clause (i) |
| (iii) | the capital investment on energy conservation equipment's | Not applicable, in view of comments in clause (i) |

(c) Foreign Exchange earnings and outgo

Expenditure in Foreign Currency- 73,730/-

Earnings in Foreign Exchange- Rs. 65,242,990/-

24. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Sub- Section (3) of Section 92 of the Companies Act, 2013, is includes in this Report as “**Annexure-C**” and forms an integral part of this Report. The Annual Return as referred in Section 134(3)(a) of the Companies Act, 2013 for the financial year ended March 31, 2019 shall be placed on the website of the Company at www.ambaniorganics.com.

25. DIRECTORS' RESPONSIBILITY STATEMENT

- (i) To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 134(3) (c) of the Companies Act, 2013.
- (ii) That in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (iii) That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- (iv) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (v) That the annual financial statements have been prepared on a going concern basis;
- (vi) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vii) Those proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

26. SHARE TRANSFER SYSTEM

All share transfer, dematerialization and related work is managed by Universal Capital Securities Pvt. Ltd, 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mahakali Caves Road, Andheri (East). Shareholders are requested to send all share transfer requests, demat/remat requests, correspondence relating to shares i.e. change of address, Power of Attorney, etc. to the registrar and transfer agents.

27. SHARE CAPITAL AUDIT

As stipulated by Securities and Exchange Board of India (SEBI), Mr. Mayank Arora, Proprietor of M/s. Mayank Arora & Co., Practicing Company Secretaries carried out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and shares held physically as per the register of members and the total issued and listed capital.

28. INVESTORS CORRESPONDENCE

Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East),
Mahakali Caves Road, Andheri (East),
Tel No: +91 (22) 2820 7203-05 / 2825 7641
Fax No: +91 22 2820 7207
Email-id: rajeshg@unisec.in
Website: www.unisec.in

29. AUDITORS

(a) Statutory Auditors

Pursuant to Section 139(2) of the Companies Act, 2013 read with rule 6 of Companies (Audit and Auditors) Rules, 2014, M/s Shambhu Gupta & Co., Chartered Accountants Statutory Auditors of the Company, having Firm Registration No. 007234C Statutory Auditors of the Company, were appointed for a term of Five years from the previous 32nd Annual General Meeting of the Company, till the conclusion of the 5th consecutive Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting at a remuneration decided by the Board of Directors of the Company. Accordingly, the current term of appointment of M/s Shambhu Gupta & Co., Chartered Accountants, will expire on conclusion of 36th Annual General Meeting of the Company.

The Company has received consent letter and eligibility certificate under Sections 139 and 141 of the Act wherein M/s. Shambhu Gupta & Co., Chartered Accountants have confirmed that their appointments, if made would be in accordance with the provisions of the Section 141 Companies Act, 2013 and that they are not disqualified from being re-appointment. As required under Regulation 33 of LODR Regulations they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Pursuant to Section 40 of Companies Amendment Act 2017, the requirement of ratification of the appointment of the Auditors by the Members at every AGM is not required and hence in the ensuing AGM, ratification of appointment of Statutory Auditors is not sought.

(b) Internal Auditor

The provision of Section 138 of The Companies Act, 2013 is now applicable to company and company has appointed M/s. Kavita Birla & Co., Chartered Accountants, to carry out internal Audit for the financial year 2018-19 based on the recommendation of the Audit Committee.

(c) Secretarial Auditor

Pursuant to provision of section 204 of The Companies Act, 2013 and rules made thereunder, M/s. Mayank Arora & Co., Company Secretaries has been appointed as Secretarial Auditor of the company for the Financial Year 2018-19 in the Board of Director held on 09th August, 2018. A Secretarial Auditor Report in Form MR-3 given by Mayank Arora & Company for the Financial Year ended on 31st March, 2019 has been provided in “**Annexure D**” which forms parts of this Director’s Report.

30. EXPLANATION ON ANY ADVERSE REMARK AND COMMENT BY THE AUDITORS

No adverse remark and comments are given by the auditors of the company including the Statutory, Secretarial, and Internal Auditor of the Company. The statutory auditor has not reported any incident of fraud of the company during the financial year 2018-19.

31. DISCLOSURE OF EMPLOYEES REMUNERATION

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees who are employed throughout the financial year was in receipt of remuneration for that year of not less than One Crore and Two Lakh Rupees and if employed for a part of the financial year was in receipt of remuneration for any part of that year of not less than Eight Lakh and Fifty Thousand Rupees per month to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of the prescribed limit during the financial year 2018-19. The information required under section 197 of the act read with Rule 5(1) of the companies (Appointment and Remuneration) Rules, 2014 is annexed as “**Annexure E**” and forms a part of this report.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the Section 135 of Companies Act, 2013 all companies having Net Worth of Rs. 500 cr or more, or Turnover of Rs. 1,000 core or more, or Net Profit of Rs. 5 core or more during any financial year required to constitute a Corporate Social Responsibility Committee of the Board of Directors comprising of three or more directors, at least one of whom should be an independent director and such Company shall spend at least 2% of the average net profits of the Company’s three immediately preceding financial year.

Accordingly, the Company formed a CSR Committee. During the current financial year, the provisions of Section 135 of Companies Act, 2013 is not applicable to the Company, therefore; it is not required to pay 2% of the average net profits of the Company for the current Financial Year.

The Policy outlines the Company’s philosophy as a responsible corporate citizen of India. It also lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community, in the local area and around areas of operations of the Company including other parts of the Country. CSR programs or projects to be undertaken by the Company in terms of the Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, at present or as may be amended from time to time. The Corporate Social Responsibility Policy is available on the website of the

Company.

33. GOODS & SERVICE TAX REGISTRATION

Goods & Service Tax ("GST"), which is a comprehensive indirect tax reform is introduced in India w.e.f. 1st July, 2017 and was applicable throughout India which replaced multiple cascading taxes levied by the Central and State Governments. Hence, your Company has also got registered under the same for trading of Paint & Paper Binder. GST registration number of the Company and primary address are as under:

| <i>LOCATION OF PRIMARY PLACE OF BUSINESS</i> | <i>GSTIN ALLOTTED</i> |
|---|------------------------|
| <i>N 44 MIDC Tarapur, Boisar Thane – 401506</i> | <i>27AAECA6247N1ZA</i> |

34. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has formulated a Whistle Blower Policy / Vigil Mechanism, which provides a formal mechanism for all employees and the Directors of the Company to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or an event he becomes aware of that could have a detrimental effect on the business or reputation of the Company and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. The Policy has been posted on the Company's website. No person was denied access to the Chairperson of the Audit Committee to report any concern. The said Whistle Blower Policy has been disseminated on the Company's website.

35. SEXUAL HARASSMENT

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

36. CORPORATE GOVERNANCE:

Since the Company's Securities are listed on SME Emerge platform of National stock Exchange of India Limited, by virtue of Regulation 15 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and clause (b) to (i) of sub - regulation (2) of regulation 46 and Para C, D and E of Schedule V are not applicable to the company. Hence corporate Governance does not form part of this Board's Report.

37. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 forms part of this report and is attached as "Annexure F".

38. INSIDER TRADING

The Board of Directors has adopted the Inside Trading Policy in accordance with the requirement of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Inside Trading Policy of the company lays down guidelines and procedure to be followed, and disclosure to be made while dealing with shares of the company as well as consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in the company's shares.

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Accordingly, the Board approved and adopted:

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

The code referred to in (a) above is placed on the Company's website www.ambaniorganics.com.

39. CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. The Board Members and the Senior Management personnel have to affirm compliance with the code for the F.Y. 2018-19. The said Code of Conduct has been posted on the website of the Company. A declaration to this effect is annexed and forms part of this report.

40. STATEMENT OF UTILIZATION OF FUND RECEIVED FROM INITIAL PUBLIC OFFERING (IPO)

The company has spent/utilized the proceeds of the funds raised under the IPO towards the object of the Company. The disclosure in compliance with the SEBI Regulation 32 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is as under:

| <i>Sr no.</i> | <i>Particulars</i> | <i>Proposed Amount as per Prospectus (Amount in Lakhs)</i> | <i>Actual utilization of funds (Amount in Lakhs)</i> | <i>Deviation, if any</i> |
|---------------|--|--|--|--------------------------|
| 1. | <i>Funding Long term Working Capital Requirement</i> | 724 | 724 | - |
| 2. | <i>Expenditure for General Corporate Purpose</i> | 59 | 59 | - |
| | <i>Total</i> | 783 | 783 | - |

41. DISCLOSURE FOR MAINTENANCE OF COST RECORD AS PER SPECIFIED BY THE CENTAL GOVERNMENT UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013

The provision of section 148(1) of the Companies Act, 2013 is not applicable to our company.

42. CERTIFICATION FROM CHIEF FINANCIAL OFFICER/CHIEF EXECUTIVE OFFICER OF THE COMPANY:

The Company has obtained a compliance certificate in accordance with Regulation 17(8) of listing Regulations from Mr. Bhavesh Pandya, Chief Financial Officer of the Company. The same forms a part of this Annual Report.

43. SECRETARIAL STANDARDS

During the Financial Year 2018-19, the company is in compliance with the applicable Secretarial Standards issued by the Institute of Companies of India with respect to Board and General meetings.

44. DISCLOSURE FOR MAINTENANCE OF COST RECORD AS PER SPECIFIED BY THE CENTAL GOVERNMENT UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013

The provision of section 148(1) of the Companies Act, 2013 is not applicable to our company.

45. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Bankers of the Company, Company's customers, vendors and investors for their continued support during the year.

The Directors also wish to place on record their appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

**For and on behalf of the Board of Directors
Ambani Organics Limited**

**Date: 25.05.2019
Place: Mumbai**

**Sd/-
Rakesh Shah
DIN: 00503074
Director**

**Sd/-
Apooni Shah
DIN: 00503116
Director**

ANNEXURE TO DIRECTOR'S REPORT:

ANNEXURE A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| <i>Sl. No.</i> | <i>Particulars</i> | <i>Details</i> | <i>Details</i> |
|----------------|---|-----------------------------------|--|
| 1. | Name of the subsidiary | Omega Woven Mills Private Limited | Om Maruti Glasswool And Wirenetting Products Private Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA | NA |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | NA |
| 4. | Share capital | 100,000 | 350,000 |
| 5. | Reserves & surplus | (1,839,728) | (2,867,139) |
| 6. | Total assets | 5,911,419 | 7,933,524 |
| 7. | Total Liabilities | 5,911,419 | 7,933,524 |
| 8. | Investments | NIL | NIL |
| 9. | Turnover | NIL | NIL |
| 10. | Profit before taxation | (128,743) | (586,637) |
| 11. | Current Tax | NIL | - |
| 12. | Profit after taxation | (155,409) | (680,976) |

**For and on behalf of the Board of Directors
Ambani Organics Limited**

**Date: 25.05.2019
Place: Mumbai**

**Sd/-
Rakesh Shah
DIN: 00503074
Director**

**Sd/-
Apooni Shah
DIN: 00503116
Director**

ANNEXURE B**FORM 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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

| | | |
|---|---|----|
| 1 | Name(s) of the related party and nature of relationship | NA |
| 2 | Nature of contracts/arrangements/transactions | NA |
| 3 | Nature of contracts/arrangements/transactions | NA |
| 4 | Salient terms of the contracts or arrangements or transactions including the value, if any- | NA |
| 5 | Justification for entering into such contracts or arrangements or transactions | NA |
| 6 | Date(s) of approval by the Board | NA |
| 7 | Amount paid as advances, if any | NA |
| 8 | Date on which the special resolution was passed in general meeting as required under first Proviso to section 188 | NA |

Details of material contracts or arrangement or transactions at arm's length basis: During the year, the following transaction took place:

| SL NO | Name (s) of the related party & nature of relationship | Nature of contracts/arrangements/transaction | Duration of the contracts/arrangements/transaction | Salient 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 |
|-------|--|--|--|---|-------------------------------|---------------------------------|
| a) | Omega Woven Mills Private Limited | Factory Rent Paid | 1 year | 6 Lakhs p.a. | 02/04/2018 | NA |
| b) | Om Maruti Glasswool And Wirenetting Products Private Limited | Factory Rent Paid | 1 year | 6 Lakhs p.a. | 02/04/2018 | NA |

(h). Date on which the special resolution was passed in general meeting (if any): - NA

**For and on behalf of the Board of Directors
Ambani Organics Limited**

Sd/-

**Rakesh Shah
DIN: 00503074
Director**

Sd/-

**Apooni Shah
DIN: 00503116
Director**

Date: 25.05.2019

Place: Mumbai

ANNEXURE C**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2019****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

| | | |
|------|--|--|
| i) | CIN: | L24220MH1985PLC036774 |
| ii) | Registration Date: | 08/07/1985 |
| iii) | Name of the Company: | AMBANI ORAGANICS LIMITED |
| iv) | Category / Sub-Category of the Company: | Company Limited by Shares / Indian Non-Government Company |
| v) | Address of the Registered office and contact details | N 44 MIDC Tarapur, Boisar, Thane Maharashtra 401506 |
| | Corporate Office | 801,8th Floor,"351-ICON",Next to Natraj Rustomji, W.E.Highway, Andheri (East), Mumbai-400069 Mumbai 400069 |
| vi) | Whether listed company Yes / No | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any. | Universal Capital Securities Pvt Ltd. (Formerly known as Mondkar Computers Pvt Ltd.) 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 93 T:+91 (22) 2820 7203-05 / 2825 7641 F: +91 22 2820 7207 W: www.unisec.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1. | Paint and Construction, Textile, Carpet, Adhesive, Paper, etc. | 24 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Omega Woven Mills Private Limited | U99999MH1986PTC038908 | Subsidiary | 99.95% | 2(87) |
| 2 | Om Maruti Glasswool & Wirenetting Products Private Limited | U74999MH1987PTC042071 | Subsidiary | 99.95% | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) *Category-wise Share Holding:*

[illegible]

| | | | | | | | | | |
|---|---|-----------|-----------|------|-----------|--------|-----------|-------|---|
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2)Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | |
| i) Indian | - | - | - | - | 266,000 | - | 266,000 | 5.24 | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i)Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | 30,100 | 30,100 | 0.80 | 446,000 | 20,100 | 46,6100 | 9.18 | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | - | - | - | - | 368,000 | - | 368,000 | 7.25 | - |
| c) Others (specify) | | | | | | | | | |
| Individual | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii)Foreign | - | - | - | - | - | - | - | - | - |
| iii) HUF | - | - | - | - | 36,000 | - | 36,000 | 0.71 | - |
| iv) Market Maker | - | - | - | - | 252,000 | - | 252,000 | 4.96 | - |
| Sub-total (B)(2):- | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | - | 30,100 | 30,100 | 0.80 | 1,368,000 | 20,100 | 1,388,100 | 27.33 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 3,810,659 | 3,810,659 | 100 | 5,058,559 | 20,100 | 5,078,659 | 100 | - |

(ii) Shareholding of Promoters:

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change In shareholding during the year |
|--------|---------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Rakesh Shah | 3,464,721 | 90.92 | - | 3,364,721 | 66.25 | - | (25.42) |
| 2. | Apooni Shah | 314,738 | 8.26 | - | 314,738 | 6.20 | - | (2.13) |
| 3. | Jyotindra Ramniklal Doshi | 10,000 | 0.26 | - | 10,000 | 0.20 | - | (0.07) |
| 4. | Paresh Shah | 1,100 | 0.03 | - | 1,100 | 0.02 | - | (0.01) |

(iii) Change in Promoters' Shareholding (Equity Share Capital Details) (please specify, if there is no change):

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Rakesh Shah | | | | |
| | At the beginning of the year | 3,464,721 | 68.22 | 3,464,721 | 68.22 |
| | Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 1,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 66.00 per share were put for offer for sale on 13/07/2018 | | | |
| | At the End of the year | 3,364,721 | 66.25 | 3,464,721 | 66.25 |

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

| Sl. No. | Name of the shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Aryaman Capital Markets Limited | | | | |
| | 01/04/2018 | Opening Balance | 0 | 0 | |
| | 14/07/2018 | IPO Allotment | 72000 | 1.42 | 72000 |
| | 20/07/2018 | Transfer | -20000 | -0.39 | 52000 |
| | 27/07/2018 | Transfer | 154000 | 3.03 | 206000 |
| | 03/08/2018 | Transfer | 50000 | 0.98 | 256000 |
| | 10/08/2018 | Transfer | -10000 | -0.20 | 246000 |
| | 24/08/2018 | Transfer | -26000 | -0.51 | 220000 |
| | 31/08/2018 | Transfer | 10000 | 0.20 | 230000 |
| | 07/09/2018 | Transfer | 4000 | 0.08 | 234000 |
| | 14/09/2018 | Transfer | -38000 | -0.75 | 196000 |
| | 21/09/2018 | Transfer | 2000 | 0.04 | 198000 |
| | 29/09/2018 | Transfer | 12000 | 0.24 | 210000 |
| | 05/10/2018 | Transfer | 12000 | 0.24 | 222000 |
| | 12/10/2018 | Transfer | 2000 | 0.04 | 224000 |
| | 16/11/2018 | Transfer | 6000 | 0.12 | 230000 |
| | 14/12/2018 | Transfer | 2000 | 0.04 | 232000 |
| | 21/12/2018 | Transfer | -2000 | -0.04 | 230000 |
| | 01/02/2019 | Transfer | 2000 | 0.04 | 232000 |

| | | | | | | |
|---|---|-----------------|--------|------|--------|------|
| | 08/02/2019 | Transfer | 4000 | 0.08 | 236000 | 4.65 |
| | 22/02/2019 | Transfer | 8000 | 0.16 | 244000 | 4.80 |
| | 01/03/2019 | Transfer | 2000 | 0.04 | 246000 | 4.84 |
| | 30/03/2019 | Transfer | 6000 | 0.12 | 252000 | 4.96 |
| | | | | | | |
| 2 | Overskud Multi Asset Management Private Limited | | | | | |
| | 01/04/2018 | Opening Balance | 0 | 0 | | |
| | 20/07/2018 | Transfer | 52000 | 1.02 | 52000 | 1.02 |
| | 27/07/2018 | Transfer | 106000 | 2.09 | 158000 | 3.11 |
| | 10/08/2018 | Transfer | 54000 | 1.06 | 212000 | 4.17 |
| | 17/08/2018 | Transfer | 6000 | 0.12 | 218000 | 4.29 |
| | 24/08/2018 | Transfer | 30000 | 0.59 | 248000 | 4.88 |
| | | | | | | |
| 3 | Chirag Jaysukhbhai Mehta | | | | | |
| | 01/04/2018 | Opening Balance | 0 | 0 | | |
| | 14/07/2019 | IPO Allotment | 24000 | 0.47 | 24000 | 0.47 |
| | 20/07/2018 | Transfer | 30000 | 0.59 | 54000 | 1.06 |
| | | | | | | |
| 4 | Daksha Kamlesh Sanghavi | | | | | |
| | 01/04/2018 | Opening Balance | 0 | | | |
| | 14/07/2019 | IPO Allotment | 48000 | 0.95 | 48000 | 0.95 |
| | | | | | | |
| 5 | Dilipkumar Vikamchand Mehta | 0 | | | | |
| | 01/04/2018 | Opening Balance | 0 | 0 | | |
| | 14/07/2019 | IPO allotment | 24000 | 0.47 | 24000 | 0.47 |
| | 27/07/2018 | Transfer | 16000 | 0.32 | 40000 | 0.79 |
| | | | | | | |
| 6 | Parul Dilipkumar Mehta | | | | | |
| | 01/04/2018 | Opening Balance | 0 | 0 | | |
| | 14/07/2019 | IPO Allotment | 22000 | 0.43 | 22000 | 0.43 |
| | 27/07/2018 | Transfer | 16000 | 0.32 | 38000 | 0.75 |
| | | | | | | |
| 7 | Neetu Notani Thakur | | | | | |
| | 01/04/2018 | Opening Balance | 0 | 0 | | |
| | 14/07/2019 | IPO Allotment | 18000 | 0.35 | 18000 | 0.35 |
| | 03/08/2018 | Transfer | 16000 | 0.32 | 34000 | 0.67 |

| | | | | | | |
|----|-------------------------------|-----------------|-------|-------|-------|------|
| | 16/11/2018 | Transfer | 4000 | 0.08 | 38000 | 0.75 |
| | 04/01/2019 | Transfer | -4000 | -0.08 | 34000 | 0.67 |
| | | | | | | |
| 8 | Sajankumar Rameshwarlal Bajaj | | | | | |
| | 01/04/2018 | Opening Balance | 0 | | | |
| | 24/08/2018 | Transfer | 24000 | 0.47 | 24000 | 0.47 |
| | | | | | | |
| 9 | Hiren Jaysukhbhai Mehta | | | | | |
| | 01/04/2018 | Opening Balance | 0 | | | |
| | 14/07/2019 | IPO Allotment | 22000 | 0.43 | 22000 | 0.43 |
| | | | | | | |
| 10 | Kirti Mavji Malde | | | | | |
| | 01/04/2018 | Opening Balance | 0 | | | |
| | 29/09/2018 | Transfer | 20000 | 0.39 | 20000 | 0.39 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | For Each of the Directors and KMP | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Rakesh Shah | | | | |
| | At the beginning of the year | 3,464,721 | 68.22 | 3,464,721 | 68.22 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 1,00,000 Equity Shares of Rs. 10each for cash at a price of Rs. 66.00 per share were put for offer for sale on 13/07/2018 | | | |
| | At the End of the year | 3,364,721 | 66.25 | 3,464,721 | 66.25 |
| | | | | | |
| 2. | Apooni Shah | | | | |
| | At the beginning of the year | 314,738 | 6.20 | 314,738 | 6.20 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | NA | | | |
| | At the End of the year | 314,738 | 6.20 | 314,738 | 6.20 |

V. INDEBTEDNESS

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

| | SECURED LOANS EXCLUDING DEPOSITS | UNSECURED LOANS | DEPOSITS | TOTAL INDEBTEDNESS |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 140,747,045 | 12,698,085 | - | 153,445,130 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 140,747,045 | 12,698,085 | - | 153,445,130 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | -- | - |
| • Reduction | 6,820,366 | 5,311,058 | - | 12,131,424 |
| Net change | 6,820,366 | 5,311,058 | - | 12,131,424 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 133,926,679 | 7,387,027 | - | 141,313,706 |
| ii) Interest due but not paid | - | - | - | - |
| 3) Interest accrued but not due | - | - | - | - |
| Total of (i+ii+iii) | 133,926,679 | 7,387,027 | - | 141,313,706 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Executive Directors:

| Sl. No | Particulars of Remuneration | Name of Executive Director | | Total Amount |
|--------|---|----------------------------|-------------|--------------|
| | | Rakesh Shah | Apooni Shah | |
| 1. | Gross Salary | 4,000,000 | 1,800,000 | 5,800,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |

| | | | | |
|----|---|------------------|------------------|-------------------|
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of Profit - others, specify.... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 4,000,000 | 1,800,000 | 5,800,0000 |

B. Remuneration to other directors:

I. Independent Directors:

II. Other Non-Executive Directors:

| Sr no | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs.) |
|----------|---|---|--|--|--------------------------|
| | | Sharad Kothari (Non- Executive Directors) | Sanjay Natwarlal Mehta (Independent Directors) | Prakash Anna Mahanwar (Independent Directors) | |
| | I. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | - |
| | II. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify | 4,54,986 | - | - | 4,54,986 |
| | Total (2) | 4,54,986 | - | - | 4,54,986 |
| | Total (B) = (1+2) | 4,54,986 | | | 4,54,986 |
| | Total Managerial Remuneration | 4,54,986 | | | 4,54,986 |
| | Overall Ceiling as per the Act | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD:

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|------------|---|--------------------------|----------------------|---------|-----------------|
| | | CEO | Company Secretary | CFO | |
| 1. | Gross Salary | 334,954 | 200,015 | 427,737 | 962,706 |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |

| | | | | | |
|----|---|----------------|----------------|----------------|----------------|
| 4. | Commission - as % of Profit - others, specify | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | 334,954 | 200,015 | 427,737 | 962,706 |

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

**For and on behalf of the Board of Directors
Ambani Organics Limited**

Date: 25.05.2019
Place: Mumbai

Sd/-
Rakesh Shah
DIN: 00503074
Director

Sd/-
Apooni Shah
DIN: 00503116
Director

ANNEXURE D

Secretarial Audit Report

FORM NO. MR-3

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,
The Members,
AMBANI ORGANICS LIMITED
801,8th Floor,"351-ICON",
Next to Natraj Rustomji, W.E.Highway,
Andheri(East),Mumbai-400069

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **AMBANI ORGANICS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes 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 financial year ended 31stMarch, 2019, generally 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 **AMBANI ORGANICS LIMITED** ("the Company") for the financial year ended on 31stMarch, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;(not applicable to 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (not applicable to the Company during the Audit period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable to the Company during the Audit period) and
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(not applicable to the Company during the Audit period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(not applicable to the Company during the Audit period);

(vii) Other Laws applicable to the Company as per the representations made by the Company are listed in **Annexure I** and forms an integral part of this report.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act we have relied on the Reports given by the Statutory Auditors of the Company.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b. The (Listing Obligation and Disclosure Requirements) Regulations, 2015

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views, if any, 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.

We further report that during the period under review;

- a. The Company in its Extra Ordinary General Meeting held on 7th April, 2018 inter alia passed the following Resolutions:
- (i) Increase in Authorised Share Capital from the existing Rs. 4,00,00,000 (Rupees Four Crore) divided into 40,00,000 (FortyLacs) Equity Share of Rs.10/- each to Rs. 7,00,00,000 (Rupees Seven Crore) divided into 70,00,000 (Seventy Lacs) Equity Share of Rs.10/- each
 - (ii) Approval under section 186 of the Companies Act, 2013 for Loan / Guarantee / Security and Investment by the Company for a limit not exceeding Rs. 200 Crores
 - (iii) Approval under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 for a limit not exceeding Rs. 200 Crores
- b. During the year under review your Company entered into capital market with an initial public issue 13,68,000 Equity Shares of Rs. 10.00 each for cash at a price of Rs. 66.00 per share aggregating Rs. 902.88 lacs, consisting of fresh issue of 12,68,000 equity shares and offer for sale by promoters of 1,00,000 equity shares. The Company has received the trading approval for total 50, 78,659 Equity Shares on SME Platform of NSE Limited with effect from 18th July, 2019 having the symbol “**AMBANIORG**”.

This report is to be read with my letter of even date which is annexed as **Annexure II** and form an integral part of this report.

Date: 25.05.2019

Place: Mumbai

**For Mayank Arora & Co.
Company Secretaries**

Sd/-

**Mayank Arora
Proprietor
C.P. No. 13609**

Other Laws applicable to the Company

(A) Commercial Laws

- (i) Indian Contract Act
- (ii) Negotiable Instruments Act

(B) Immovable and Intellectual Property Laws

- (i) Bombay/Indian Stamp Act
- (ii) Trademark Law
- (iii) Rent Act

(C) Labour Laws

- (i) The Payment of Bonus Act
- (ii) The Payment of Gratuity Act
- (iii) Minimum Wages Act
- (iv) Workmen's Compensation Act
- (v) Employee Pension Scheme
- (vi) Factories Act
- (vii) The Maternity Benefit Act
- (viii) Prevention of Sexual Harassment at workplace Act
- (ix) Equal Remuneration Act
- (x) Child labour (Prohibition & regulation) Act

(E) Others

- a) Shops & Establishments Act
- b) Air Pollution Act, Water Pollution Act, Environment Protection Act etc

Date: 25.05.2019

Place: Mumbai

**For Mayank Arora & Co.
Company Secretaries**

Sd/-

**Mayank Arora
Proprietor
C.P. No. 13609**

To,
The Members,
AMBANI ORGANICS LIMITED
801,8th Floor,"351-ICON",
Next to Natraj Rustomji, W.E.Highway,
Andheri(East),Mumbai-400069

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial audit report 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.

7. We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

Date: 25.05.2019

Place: Mumbai

For Mayank Arora & Co.
Company Secretaries

sd/-

Mayank Arora
Proprietor
C.P. No. 13609

ANNEXURE E

(Statement of Disclosure of Remuneration under section 197 (2) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment of Remuneration of Managerial Remuneration) Rules, 2014)

i. Ratio of remuneration of each director to the median remuneration of the Employee of the Company for the Financial Year-2018-2019

| S No. | Name | Category | Remuneration | Median Remuneration | Ratio |
|-------|---------------------------------|---------------------|--------------|---------------------|----------|
| 1. | Mr. Rakesh Hasmukhlal Shah | Managing Director | 40,00,000 | 216,831 | 18.44755 |
| 2. | Mrs. Apooni Rakesh Shah | Whole Time Director | 18,00,000 | 216,831 | 8.301396 |
| 3. | Mr. Sharad P Kothari | Director | 4,54,986 | 216,831 | 2.098344 |
| 4. | Mr. Sanjay Natwarlal Mehta | Director | - | - | - |
| 5. | Mr. Prakash Anna Mahanwar | Director | - | - | - |
| 6. | Mr. Dilipkumar Vikamchand Mehta | Director | - | - | - |
| 7. | Mr. Paresh Harsukhlal Shah | CEO(KMP) | 3,34,954 | 216,831 | 1.54477 |
| 8. | Mr. Bhavesh Babulal Pandya | CFO(KMP) | 4,27,737 | 216,831 | 1.972675 |

Note: For this purpose, sitting fees paid to Directors have not been considered as remuneration.

ii. the percentage of increase in remuneration of each director, Chief financial officer, chief executive officer, Company secretary or Manager, if any in the F.Y. 2018-2019:

| S No. | Name | Category | % |
|-------|----------------------------|---------------------|---------|
| 1. | Mr. Rakesh Hasmukhlal Shah | Managing Director | 13.567 |
| 2. | Mrs. Apooni Rakesh Shah | Whole Time Director | 49.338 |
| 3. | Mr. Sharad P Kothari | Director | 282.341 |
| 4. | Mr. Sanjay Natwarlal Mehta | Director | - |

| | | | |
|----|---------------------------------|----------|---|
| 5. | Mr. Prakash Anna Mahanwar | Director | - |
| 6. | Mr. Dilipkumar Vikamchand Mehta | Director | - |
| 7. | Mr. Paresh Harsuklal Shah | CEO(KMP) | - |
| 8. | Mr. Bhavesh Babulal Pandya | CFO(KMP) | - |

The median remuneration of the employees of the Company as on 31st March 2019 was Rs 216,831/-

iii . The percentage increase in the median remuneration of employees in F.Y. 2018 stood at 6.639%

iv. no. of permanent employees of the Company : 79

v. average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year : 5.39%

vi Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other senior management is as per the remuneration policy of the Company.

vii. Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There are no employees appointed by the Company who were in receipt of remuneration of Rs. 1.20 Crores or more per Annum employed throughout the year and Rs. 8.50 Lakhs or more Per Month employed for part of the year.

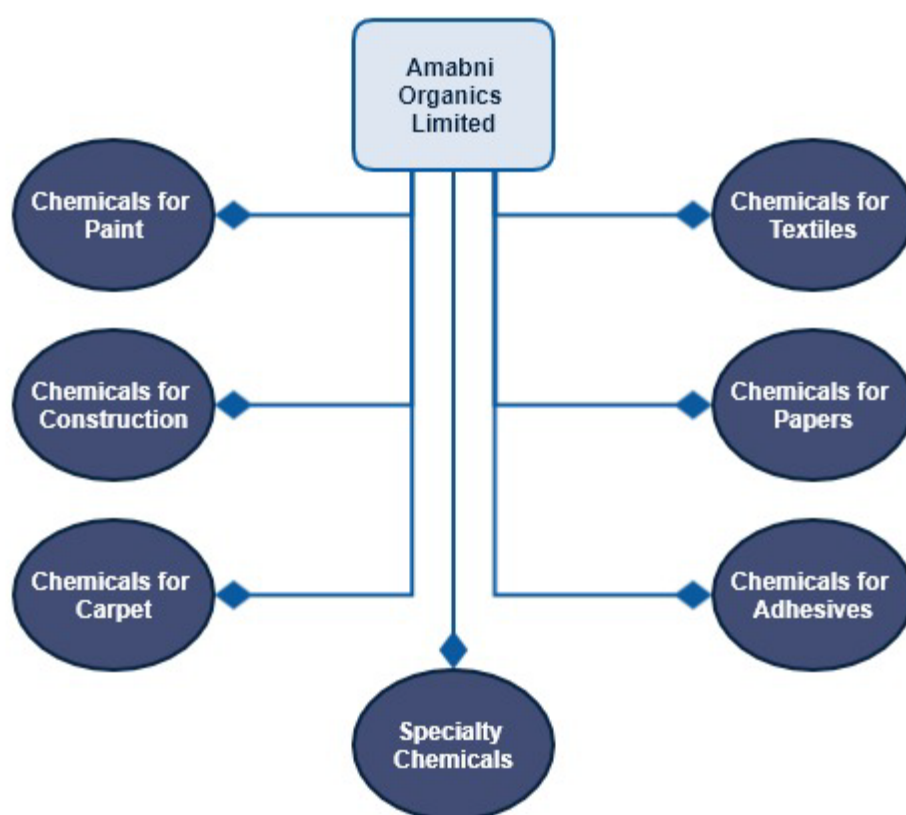
Hence the Disclosure under Rule 5(2) is not applicable.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the names of top ten employees in terms of remuneration drawn is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours on working days upto the date of ensuing Annual General Meeting and shall also be made available on the website of the Company post AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

ANNEXURE F

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Ambani Organics Limited is a manufacturer, processor, importer, supplier and exporter of water based speciality chemicals used in Paper Industry, Paint Industry, Textile Industry, Carpet Industry, Adhesive Industry, etc. Our Company was incorporated in the year 1987 and is engaged in the business of speciality chemicals for more than 3 (three) decades. We are an "ISO 9001:2015 - Quality Management System" certified company and we have also obtained GOTS (Global Organic Textiles Standards) certification for some of our textile industries chemicals.



Over the years we have developed good standing with our customers from various industries to whom we have supplied speciality chemicals such as Textile Auxiliaries, Acrylic Polymers, Binders and Paint Dryers. We have dedicated industry based marketing managers who market our products to the specific industry which has been allocated. Our overseas marketing headed by Mr. Rakesh Shah and the domestic marketing is headed by Mr. Sharad Kothari.

We have a dedicated in-house Research & Development and Quality Assurance/Quality Control Team which undertakes rigorous testing and quality management. Our R&D Centre is located at Plot No. N-55, MIDC Tarapur Boisar, Thane, Maharashtra - 401506. Our dedicated R&D team tests the raw materials procured and the products manufactured. The R&D team is instrumental in maintaining the high quality of our products.

COMPETITION

The chemical industry captures a wide variety of companies that serve to provide products and services that keep the everyday consumer engaged. There are a number of segments within the industry, each of which provides a different form of services to consumers around the world. Thus, Chemical market is highly competitive and fragmented, and we face competition from leading Chemical and Dye Industries, that are expanding their traditional offerings (in India) to include research and development (R&D), product development, and other niche services. We compete with our competitors on a regional or product line basis. Some of our competitors may have greater financial, marketing, sales and other resources than we do. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. We propose to create awareness of our products by participating in award functions, fairs, conferences, etc. Moreover, as we seek to diversify into new geographical areas, we face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets.

Significant Developments after March 31, 2018 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months except as below:

Our Company has entered into a leave and licence agreement with our Subsidiary Omega Woven Mills Private Limited from May 04, 2018 renewable each year. The premises taken on leave and licence is used for our Research and Development purposes. If we are unable to renew the agreement after one year or the agreement is cancelled mid-year, it may affect our future results of operations.

Factors affecting our Result of Operation

The following important factors could cause actual results to differ materially from the expectations include, among others.

(a) Revenue Generation

We earn our revenue from manufacturing varied speciality chemicals catering to various industries. Our Company is engaged in manufacturing of chemicals such as Textile Auxiliaries, Acrylic Polymers, Binders and Paint Dryers.

Since we continuously endeavor to provide quality products to our customers, our revenues have been impacted by such quality products. We have a marketing team allocated for the same, each handled by well trained personnel. We aim at increasing in operational output through continuous process improvement, Quality Assurance (QA) and QA activities, customer service, consistent quality and technology development.

(b) Our Financial Expenses

We have term loan and working capital facilities from our bankers. Our profitability is significantly impacted by our financial costs. For the fiscals 2018, 2017 our financial expenses were Rs. 24, 894, 824, and Rs. 20, 992, 344 respectively. Our financial growth depends on how well we manage and service our debts.

(c) Our ability to successfully implement its strategy and its growth and expansion plans

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to maintain customer satisfaction, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported products, competition within India's speciality chemicals industry from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations. Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business.

(d) Market Conditions and Demand for our Products and Services

Our results of operations depend on the continued existence, success and growth of, and demand for, our various product. Developments in the global and Indian economy influence the decisions of enterprises to determine their pricing strategy, market based factors and quality standards thereby affecting the demand for our products and services.

Our revenues have a mix of domestic and export sales; so consequently, our operating results depend on general economic conditions not only in India but also our export market. With no entry barriers in the industry, the area for exposure and exploitation of the opportunities provides benefits in terms of expansion and revenue to the company.

With the global economy showing varied patterns, Indian economy showing signs of recovery and the Indian Government's focus on financial inclusion, we expect the demand for our products and services to grow.

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,
AMBANI ORGANICS LIMITED
N 44 MIDC Tarapur, Boisar Thane - 401506

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ambani Organics Limited having CIN L24220MH1985PLC036774 and having registered office at N 44 MIDC Tarapur, Boisar Thane - 401506 (hereinafter referred to as 'the Company'), produced before me 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.

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 me 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 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| <i>Sr. No.</i> | <i>Name of Director</i> | <i>DIN</i> | <i>Date of appointment in Company</i> |
|----------------|-----------------------------|------------|---------------------------------------|
| 1 | Rakesh Hasmukhlal Shah | 00503074 | 08/03/1996 |
| 2 | Apooni Rakesh Shah | 00503116 | 01/05/2002 |
| 3 | Sharad P Kothari | 08029922 | 20/12/2017 |
| 4 | Sanjay Natwarlal Mehta | 08100745 | 02/04/2018 |
| 5 | Prakash Anna Mahanwar | 08100755 | 02/04/2018 |
| 6 | Dilipkumar Vikamchand Mehta | 08122334 | 28/04/2018 |

Ensuring the eligibility of for the 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.

Date: 25.05.2019

Place: Mumbai

For Mayank Arora & Co.

sd/-

Mayank Arora
Proprietor
C.P. No. 13609

CEO/CFO CERTIFICATION

To,
The Board of Directors
Ambani Organics Limited
N 44 MIDC Tarapur, Boisar Thane – 401506

I, Paresh Harsuklal Shah, the Chief Executive Officer (CEO) of the Company do hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2019 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material factor 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.
2. 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 violation of the company's code of conduct.
3. 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, 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.
4. We have indicated to the auditors and the Audit committee:
 - (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 an employee having a significant role in the company's internal control system over financial reporting;

Ambani Organics Limited

Sd/-

Paresh Harsuklal Shah
Chief Executive Officer

Date: 25/05/2019

Declaration on adherence to the Code of Conduct under Regulation 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

As provided under Regulation 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

By order of the Board

Ambani Organics Limited

Date: 25.05.2019

Place: Mumbai

Sd/-

Rakesh Shah

DIN: 00503074

Director

Sd/-

Apooni Shah

DIN: 00503116

Director

COMPLIANCE CERTIFICATE

[See Regulation 17(8)]

The following compliance certificate shall be furnished by chief executive officer and chief financial officer:

A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to

D. They have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

By order of the Board

Ambani Organics Limited

Sd/-

Bhavesh Babulal Pandya

CFO

Date: 25/05/2019

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To

The Members of Ambani Organics Limited,

1. We have audited the accompanying standalone financial statements of **Ambani Organics Limited**, which comprise the Balance Sheet as at 31st March, 2019, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.
3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019.
- b) in the case of Profit & Loss Account, of the loss for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Legal and other Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 issued by the central government of India in terms of subsection (11) of section 143 of the act, we give in the "**Annexure 1**" a statement on the matters specified in the order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under section 133 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of Internal Financial controls over financial reporting of company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-2**" to this report.
 - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us –
 - i. The Company does not have pending litigation.

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

For Shambhu Gupta & Co.

Chartered Accountants

FRN No.:- 007234C

Sd/-

CA. Rajkumar Khatod

Partner

M. No. 133612

Place: Mumbai

Date: May, 25th 2019

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2019

Re: Ambani Organics Limited ('the Company')

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all fixed assets of the Company have been physically verified by the management during the year and the procedures of physical verification followed by the management, in our opinion, was reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed during such verification.
- (c) According to information & explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has granted loans to two parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The terms & Condition of the grant of such loans are not prejudicial to the company's interest.
 - (b) There is no repayment schedule for payment of principle and interest between both the companies, Hence the provision of clause (b) and (c) are not applicable to company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and advances made.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public. Hence the provisions of this clause are not applicable.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) The Company is regular in depositing with appropriate authorities all undisputed statutory dues

(b) According to the information and explanation given to us, there are no dues on account of Customs duty, GST and Cess which have not been deposited on account of any disputes.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any Bank or financial institutions during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loan taken by the company has been applied for the purpose for which they were raised.
- (x) In our opinion and according to the information and explanations given to us there is no any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, sec 197 read with schedule V of the companies act , 2013 dealing with managerial remuneration is not applicable to the company.
- (xii) The company is not a Nidhi Company so the provision of this clause is not applicable to company.
- (xiii) All transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 and have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013. As regards to Sec 177 of Companies Act, 2013 dealing with the Audit Committee is not applicable to the company.
- (xiv) During the year the Company has not made any preferential allotment/ Private placement of shares or fully or partly convertible debenture during the year.
- (xv) In our opinion and according to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him so provisions of Section 192 of Companies Act, 2013 have been complied with.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Shambhu Gupta & Co.

Chartered Accountants

FRN No.:- 007234C

Sd/-

CA. Rajkumar Khatod

Partner

M. No. 133612

Place: Mumbai

Date: May, 25th 2019

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Because the matter described in Disclaimer of opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on Internal Financial Controls over Financial Reporting of the company.

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 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company 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 provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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, 2019, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

For Shambhu Gupta & Co.

Chartered Accountants

FRN No.:- 007234C

Sd/-

CA. Rajkumar Khatod

Partner

M. No. 133612

Place: Mumbai

Date: May, 25th 2019

Standalone Balance Sheet for the Year ended 31st March, 2019

(Amount in Rs.)

| Particulars | Note No | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|------------------------------------|---------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 50,786,590 | 38,106,590 |
| (b) Reserves and Surplus | 3 | 105,289,796 | 21,557,272 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term Borrowings | 4 | 18,499,502 | 28,747,718 |
| (b) Deferred tax liabilities (Net) | 6 | 5,791,626 | - |
| (c) Other Long term Liabilities | 5 | 55,344,795 | 55,334,730 |
| (d) Long-term Provision | 7 | 6,466,511 | 5,299,056 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 8 | 122,814,203 | 124,697,412 |
| (b) Trade payables | 9 | 241,367,515 | 194,003,855 |
| (c) Other current liabilities | 10 | 8,276,281 | 8,296,308 |
| (d) Short-term provisions | 11 | 2,646,178 | 1,735,363 |
| TOTAL | | 617,282,997 | 477,778,304 |
| II.ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 12 | | |
| (i) Tangible assets | | 109,966,856 | 104,737,218 |
| (ii) Intangible assets | | 217,858 | 269,438 |
| (b) Non-current investments | 13 | 14,746,914 | 14,746,914 |
| (c) Long term loans and advances | 14 | 19,294,097 | 17,715,724 |
| (d) Deferred Tax Assets (Net) | 6 | - | 827,206 |
| (e) Other non-current assets | | - | - |
| (2) Current assets | | | |
| (a) Inventories | 15 | 170,984,157 | 103,820,498 |
| (b) Trade receivables | 16 | 223,666,391 | 181,982,189 |
| (c) Cash and cash equivalents | 17 | 33,591,120 | 7,521,030 |
| (d) Short-term loans and advances | 18 | 5,803,197 | 4,405,508 |
| (e) Other current assets | 19 | 39,012,407 | 41,752,579 |
| TOTAL | | 617,282,997 | 477,778,304 |
| Significant accounting policies | 1 to 41 | | |
| Notes to Accounts | | | |

As per our Report of even date
For Shambhu Gupta & Co.
FRN No.:- 007234C
Chartered Accountants

For and on behalf of Board of Directors of
AMBANI ORGANICS LIMITED

sd/-
CA. Rajkumar Khatod
Partner
Membership No. 133612

sd/-
Mr. Rakesh Shah
Managing Director
DIN No. 00503074

sd/-
Mrs. Apooni Shah
Whole time Director
DIN No. 00503116

Place :- Mumbai
Dated :- May, 25th 2019

sd/-
Mr. Paresh Shah
Chief Executive Officer

sd/-
Mr. Bhavesh Pandya
Chief Financial Officer

sd/-
Ms. Vijanti Sawant
Company Secretary

AMBANI ORGANICS LIMITED

N-44, MIDC, Boisar

CIN:- U24220MH1985PLC036774

Standalone Profit and Loss statement for the year ended 31st March, 2019

(Amount in Rs.)

| Particulars | Note No. | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|------------|-----------------------|-----------------------|
| I. Revenue from operations | 20 | 929,888,689 | 757,152,267 |
| Less:- Duties & Taxes | | 132,794,223 | 104,200,850 |
| Net Revenue from operations | | 797,094,466 | 652,951,417 |
| II. Other Operational Income | 21 | 4,477,660 | 2,863,417 |
| III. Total Revenue | | 801,572,126 | 655,814,834 |
| <u>IV. Expenses:</u> | | | |
| Cost of materials consumed | 22 | 680,796,127 | 575,017,787 |
| Changes in inventories of finished goods and Stock-in-Trade | 23 | (21,425,646) | (34,496,651) |
| Employee benefit expense | 24 | 29,689,806 | 25,192,067 |
| Financial costs | 25 | 24,894,824 | 20,992,344 |
| Depreciation and amortization expense | | 6,303,802 | 5,966,260 |
| Other expenses | 26 | 52,988,576 | 40,674,639 |
| IV Total Expenses | | 773,247,488 | 633,346,446 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | 28,324,637 | 22,468,388 |
| VI. Exceptional items | 27 | 3,602,661 | 7,635 |
| VII Profit before extraordinary items and tax | (V - VI) | 24,721,976 | 22,460,753 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax | (VIII-IX) | 24,721,976 | 22,460,753 |
| X. Tax expense: | | | |
| (1) Current tax | | 5,089,464 | 4,579,489 |
| (2) Mat Credit Entitlement | | (5,089,464) | (4,579,489) |
| (3) Tax adjustment of earlier year | | - | 264,949 |
| (4) Deferred tax | | (6,618,832) | (5,429,994) |
| XI. Profit/(Loss) for the period | (IX-X) | 18,103,145 | 16,765,810 |
| XII. Earning per equity share: | | | |
| Basic EPS (In Rs.) | | 3.56 | 4.40 |
| Diluted EPS (In Rs.) | | 3.56 | 4.40 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | | | |

As per our Report of even date

For Shambhu Gupta & Co.

FRN No.:- 007234C

Chartered Accountants

For and on behalf of Board of Directors of

AMBANI ORGANICS LIMITED

sd/-

CA. Rajkumar Khatod

Partner

Membership No. 133612

sd/-

Mr. Rakesh Shah

Managing Director

DIN No. 00503074

sd/-

Mrs. Apooni Shah

Whole time Director

DIN No. 00503116

sd/-

sd/-

sd/-

Place :- Mumbai

Dated :- May, 25th 2019

Mr. Paresh Shah

Chief Executive Officer

Mr. Bhavesh Pandya

Chief Financial Officer

Ms. Vajanti Sawant

Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2019

(Amount in Rs.)

| | Particulars | Year ended on 31.03.2019 | Year ended on 31.03.2018 |
|----------|---|-----------------------------|-----------------------------|
| A | <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| | Net Profit before tax and before extraordinary items | 24,721,976 | 22,460,753 |
| | <u>Adjustments for : -</u> | | |
| | Depreciation | 6,303,802 | 5,966,260 |
| | Interest Expenses | 22,116,087 | 20,992,344 |
| | IPO Expenses | 5,378,621 | - |
| | Tax of Earlier Years | - | (264,949) |
| | Interest Income | (1,110,145) | (827,775) |
| | Operating profit before working capital changes | 46,653,099 | 48,326,633 |
| | <u>Adjustments for : -</u> | | |
| | Inventories | (67,163,659) | (40,933,307) |
| | Short term provisions | 910,815 | 767,520 |
| | Short term borrowings | (1,883,209) | 27,327,280 |
| | Other Current Liabilities | (20,027) | (611,779) |
| | Other Current Assets | 7,962,857 | (13,197,712) |
| | Trade and other receivables | (41,684,202) | (21,024,177) |
| | Long term Provision | 1,167,455 | 2,633,448 |
| | Other Long term Liabilities | 10,065 | 1,149,335 |
| | Other Non Current Assets | - | - |
| | Long term Loans and Advances | (1,578,373) | (10,444,014) |
| | Short term Loans and Advances | (1,397,689) | (2,664,594) |
| | Trade Payables | 47,363,660 | 39,382,848 |
| | Net (Increase)/Decrease in Working Capital | (56,312,307) | (17,615,152) |
| | Cash generated from / (used in) Operating Activities | | |
| | Taxes (Paid) (including TDS) | 5,222,685 | 3,581,835 |
| | Net Cash from operating activities | (14,881,893) | 27,129,646 |
| B | <u>Cash Flow from Investing Activities:</u> | | |
| | Purchase of fixed assets | (12,981,861) | (8,573,007) |
| | Capital Subsidy Received against Plant & Machinery | 1,500,000 | - |
| | Investment in Non-Current Investment | - | (5,600,000) |
| | Interest Received | 1,110,145 | 827,775 |
| | Net Cash used in investment activities | (10,371,715) | (13,345,232) |
| C | <u>Cash Flow from Financing Activities:</u> | | |
| | Equity Share Issued | 12,680,000 | - |
| | Securities Premium Received | 71,008,000 | - |
| | Proceeds / (Repayment) of Long-term Borrowings | (10,248,216) | 7,313,826 |
| | Interest Paid | (22,116,087) | (20,992,344) |
| | | 51,323,697 | (13,678,518) |
| | Net Increase / (Decrease) in Cash and Cash Equivalents | 26,070,090 | 105,895 |
| | <u>Cash and Cash Equivalents</u> | | |
| | Opening Balance Cash & Cash Equivalents | 7,521,030 | 7,415,134 |
| | Closing Balance Cash & Cash Equivalents | 33,591,120 | 7,521,030 |

Standalone Cash Flow Statement for the year ended 31st March, 2019

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
 - 2 Cash and Cash Equivalent at the end of the year consist of cash in hand and balances with banks, fixed deposit from banks and buyers margin.
-

As per our Report of even date
For Shambhu Gupta & Co.
FRN No.:- 007234C
Chartered Accountants

For and on behalf of Board of Directors of
AMBANI ORGANICS LIMITED

sd/-
CA. Rajkumar Khatod
Partner
Membership No. 133612

sd/-
Mr. Rakesh Shah
Managing Director
DIN No. 00503074

sd/-
Mrs. Apooni Shah
Whole time Director
DIN No. 00503116

sd/-

sd/-

sd/-

Place :- Mumbai
Dated :- May, 25th 2019

Mr. Paresh Shah
Chief Executive Officer

Mr. Bhavesh Pandya
Chief Financial Officer

Ms. Vijanti Sawant
Company Secretary

NOTE NO. 1:

Background & General Information

Our Company was incorporated as Ambani Organics Private Limited on 08th July 1985 under the companies Act, 1956 bearing registration no. 036774 and having its registered office in Boisar, Tarapur Maharashtra. Subsequently, the status of company was changed to a public limited company and the name of our company was changed to Ambani Organics Limited vide special resolution dated March 07, 2018. A fresh certificate of incorporation consequent upon change of name was issued on March 07, 2018 by the Registrar of Companies, Mumbai, Maharashtra, further company listed the share on NSE on 18th July 2018.

Ambani Organics Limited is a chemical manufacturing company with manufacturing and Processor, Importer, Supplier and Exporter of Chemical & Dyes used in Painting and Textile Industry.

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The Financial Statement have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, applicable accounting standards excepts otherwise stated and the provisions of the Companies Act, 2013 as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. Fixed Assets & Depreciation

Fixed assets are stated at cost inclusive of value added tax less accumulated depreciation and impairment loss, if any. All costs including financing costs till commencement of commercial production. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on fixed assets is provided on straight line method using the life of assets based on the useful lives provided by the Schedule II of Companies Act 2013.

Depreciation on assets acquired / disposed off during the year has been provided on a pro-rata basis from the date of addition or up to the date of disposal as applicable.

There is no difference in life of assets as prescribed in schedule II of Companies Act 2013 and in our working.

D. Revenue Recognition

Sales are exclusive of GST. Sales are recognized when significant risk and rewards of ownership of goods are passed on to customers. Sales tax incentives are recognized as income as and when the amounts of incentive are confirmed by the respective officers.

E. Investments

Current investments are carried at lower of cost and quoted/ fair market value, compared category wise. Long term Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than a temporary.

F. Inventories

Inventories are valued at:

1. Raw Materials, Stores & Spare Parts: At Cost (FIFO).
2. Finished Goods: The cost is determined by taking material, labour & related factory overheads. The company follows exclusive method for valuation of stock. It is valued at lower of Cost or net reliable value.
3. Consumable Stores : At Cost (FIFO)

G. Impairment of Assets.

The carrying amount of assets is reviewed at each Balance-sheet date if there is an indication of impairment based on the internal and external factors. An impairment loss if any is charged to Statement of Profit & Loss in the year in which the amount is identified as impaired. There are no assets which can be termed is impaired asset during the year.

H. Employee Benefits

Short term employee benefits and contribution to defined contribution plans are recognized as an expense on accrual at the undiscounted amount in the Statement of Profit and Loss. Other long term employee benefits in the nature of gratuity are accounted on Cash basis and computed in accordance with the policy of the company in the said regard.

I. Foreign Currency Transaction

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the rate of the transactions. Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rates and rate on the date of the contract recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract.

J. Provision for Current and Deferred Tax

Provision for taxation is made on the basis of the taxable profits computed for the current accounting year in accordance with the provision contained in the Income-tax Act, 1961. Provision is also made for the deferred tax assets arising due to C/F losses & deferred tax liability arising due to the timing difference between profit computed as per the Income-tax and the financial statements. Net Deferred tax Assets resulting from the timing difference & losses are expected to crystallize in the future.

NOTES ON ACCOUNTS

Note 2.a Disclosure of Share Capital

| <u>Share Capital</u> | Year Ended 31.03.2019 | | Year Ended 31.03.2018 | |
|---|-----------------------|------------|-----------------------|------------|
| | Number | Rs. | Number | Rs. |
| Authorised Equity Shares Of Rs. 10/- Each | 7,000,000 | 70,000,000 | 4,000,000 | 40,000,000 |
| Issued, Subscribed & Paid up Equity Shares of Rs. 10/- each fully Paid | 5,078,659 | 50,786,590 | 3,810,659 | 38,106,590 |
| Total Rs. | 5,078,659 | 50,786,590 | 3,810,659 | 38,106,590 |

Note 2.b Disclosure related to Outstanding share detail

| <u>Particulars</u> | Year Ended 31.03.2019 | | Year Ended 31.03.2018 | |
|--|-----------------------|------------|-----------------------|------------|
| | Equity Shares | | Equity Shares | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the begining of the year | 3,810,659 | 38,106,590 | 3,810,659 | 38,106,590 |
| Shares Issued during the year | 1,268,000 | 12,680,000 | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 5,078,659 | 50,786,590 | 3,810,659 | 38,106,590 |

Note 2.c Details of the Shareholding more than 5%

| <u>Name of Shareholder</u> | Year Ended 31.03.2019 | | Year Ended 31.03.2018 | |
|----------------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Rakesh Shah | 3,364,721 | 66.25 | 3,464,721 | 88.98 |
| Apooni Shah | 314,738 | 6.20 | 314,738 | 8.26 |

Note 3

| Reserves & Surplus | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--|--------------------------|--------------------------|
| | Rs. | Rs. |
| Securities Premium Account | | |
| Opening Balance | 2,894,410 | 2,894,410 |
| Add : Securities premium credited on Share issue | 71,008,000 | - |
| Closing Balance | 73,902,410 | 2,894,410 |
| Profit and loss Account | | |
| Opening balance | 18,662,862 | 1,897,052 |
| (-) Initial Public offer Expenses | 5,378,621 | - |
| (+) Net Profit/(Net Loss) For the current year | 18,103,145 | 16,765,809 |
| Closing Balance | 31,387,386 | 18,662,861 |
| TOTAL | 105,289,796 | 21,557,272 |

Note 4

| Long Term Borrowings | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--|--------------------------|--------------------------|
| | Rs. | Rs. |
| Secured | | |
| (a) Loans from Banks | | |
| i) Term Loan for Plant and Machinery * | 10,264,684 | 14,541,869 |
| ii) Car Loan ** | 847,792 | 1,507,764 |
| * | | |
| (i) The Term loan from UBI and debts are secured by first mortgage of Plant & machinery's purchased from this loan and personal guarantee of directors and payable in 84 monthly installment of Rs.3,10,000/- Starting from month of March,2016. | | |
| ** | | |
| (ii) The Car Loan from UBI and it is secured by vehicle only. | | |
| A | 11,112,476 | 16,049,633 |
| Unsecured | | |
| a) Incorporate Loan | 3,700,000 | 4,455,785 |
| b) Loan from Director and its relatives | 2,967,613 | 5,634,776 |
| c) Unsecured Loan from NBFC | 719,414 | 2,607,524 |
| B | 7,387,027 | 12,698,085 |
| TOTAL (A+B) | 18,499,502 | 28,747,718 |

Note 5

| Other Long term Liabilities | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|------------------------------------|--------------------------|--------------------------|
| | Rs. | Rs. |
| Other Long term Liabilities | | |
| a) Acceptances | 54,185,395 | 54,185,395 |
| b) Security Deposit | 1,159,400 | 1,149,335 |
| Closing Balance | 55,344,795 | 55,334,730 |

| Note 6 | <u>Deferred Tax Liability/(Assets)</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--------|--|--------------------------|--------------------------|
| | | Rs. | Rs. |
| | Opening Deferred Tax Assets | (827,206) | (6,257,200) |
| | For Current Year (P&L) | (6,618,832) | (5,429,994) |
| | Closing Balance | 5,791,626 | (827,206) |

| Note 7 | <u>Long-term Provision</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--------|--|--------------------------|--------------------------|
| | | Rs. | Rs. |
| | Provision for Tax | 5,089,464 | 4,579,489 |
| | Provision for Gratuity (Refer Note 41) | 1,377,047 | 719,567 |
| | TOTAL | 6,466,511 | 5,299,056 |

| Note 8 | <u>Short Term Borrowings</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--------|---|--------------------------|--------------------------|
| | | Rs. | Rs. |
| | Secured | | |
| | (a) Loans Repayable on Demand | | |
| | - Working Capital Loan | | |
| | Union Bank of India, Mumbai. | 122,814,203 | 120,430,412 |
| | (b) Buyers Credit * | - | 4,267,000 |
| | <p>("The validity of the buyers credit and LC is for 3 months from date of issue with the possibility of roll-over. However as the buyers credit is a sub-limit of the LC sanctioned by the bank, the same has been classified as Short term borrowing in the financial Statements.")</p> <p>(Secured against Stock of Raw Material, Finished Goods, Other Inventory, Book Debts, Term Deposit, Land & Building and Personal Guarantee of the Directors.)</p> | | |
| | TOTAL | 122,814,203 | 124,697,412 |

| Note 9 | Trade Payables | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--------|--|--------------------------|--------------------------|
| | | Rs. | Rs. |
| | Sundry Creditors (Including Letter of Credit) | | |
| | (a) Sundry Creditors for goods & Service | 241,367,515 | 194,003,855 |
| | TOT | 241,367,515 | 194,003,855 |

As at March 31, 2019 there are no outstanding dues to Micro, Small and Medium Enterprises, identified by the company also there is no interest due or outstanding on the same.

| Note 10 | Other Current Liabilities | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---------|---|--------------------------|--------------------------|
| | | Rs. | Rs. |
| | (A) Current Maturities of Long-Term Debt | | |
| | Secured | | |
| | (a) Loans from Bank | | |
| | Union Bank of India, Mumbai | | |
| | i) Term Loan for Plant and Machinery * | 3,720,000 | 3,720,000 |
| | ii) Car Loan ** | 652,070 | 682,387 |
| | * | | |
| | (i) The above loan from UBI and debts are secured by first mortgage of Plant & machinery's purchased from this loan and personal guarantee of directors and payable in 84 monthly installment of Rs.3,10,000/- Starting from month of March,2016. | | |
| | ** | | |
| | (ii) The Car Loan from UBI and it is secured by vehicle only. | | |
| | Unsecured | | |
| | (a) Loan from NBFC | | |
| | i) Unsecured Loan from NBFC | 1,888,112 | 2,631,871 |
| | (B) Other Current Liabilities | | |
| | TDS Payable | 1,115,772 | 283,737 |
| | TDS late filing fees payable | 17,600 | 17,600 |
| | Advance from customer | 304,428 | 279,249 |
| | Professional Tax Payable | 199,081 | 325,306 |
| | MLWF Payable | 1,584 | 1,632 |
| | Provident Fund Payable | 150,972 | 294,702 |
| | ESIC Payable | 60,531 | 22,324 |
| | GST RCM Payable | 166,130 | 37,500 |
| | Total Rs. | 8,276,281 | 8,296,308 |

| Note 11 | Short Term Provisions | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---------|--|--------------------------|--------------------------|
| | | Rs. | Rs. |
| | Provision Others | | |
| | (a) Provision for Salary | 1,892,463 | 1,375,507 |
| | (b) Audit Fees Payable | 270,000 | 120,000 |
| | (c) Provision For Gratuity (Refer Note 41) | 459,015 | 239,856 |
| | (d) Property Tax Payable | 24,700 | - |
| | Total Rs. | 2,646,178 | 1,735,363 |

AMBANI ORGANICS LIMITED

N-44, MIDC, Boisar

CIN:- U24220MH1985PLC036774

Note 12

| Sr No. | Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|----------|------------------------------|---------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|--------------------------------|------------------------------|
| | | Balance as at 01 April, 2018 | Additions during the year | Delation during the year | Balance as at 31 March 2019 | Balance as at 01 April,2018 | Depreciation For the Year | Depreciation on Disposal | Balance as at 31 March 2019 | Balance as at 31 March 2019 | Balance as at 31 Mar 2018 |
| A | Tangible Assets | | | | | | | | | | |
| 1 | Freehold Land | 80,000 | - | - | 80,000 | - | - | - | - | 80,000 | 80,000 |
| 2 | Plant & Machinery | 53,878,024 | 10,646,215 | 1,500,000 | 63,024,239 | 7,061,930 | 3,485,668 | - | 10,547,598 | 52,476,641 | 46,816,094 |
| 3 | Furniture & Fixture | 779,007 | 829,486 | - | 1,608,493 | 223,758 | 68,168 | - | 291,926 | 1,316,567 | 555,249 |
| 4 | Office Building | 33,811,548 | - | - | 33,811,548 | 4,611,639 | 1,088,510 | - | 5,700,149 | 28,111,399 | 29,199,909 |
| 5 | Electrical Installation | 4,064,788 | 77,071 | - | 4,141,859 | 554,596 | 258,392 | - | 812,988 | 3,328,871 | 3,510,192 |
| 6 | Office Equipments | 106,336 | 2,300 | - | 108,636 | 42,170 | 4,504 | - | 46,674 | 61,962 | 64,166 |
| 7 | Motor Car | 5,045,010 | - | - | 5,045,010 | 559,266 | 323,314 | - | 882,580 | 4,162,430 | 4,485,744 |
| 8 | Computers | 1,474,568 | 635,836 | - | 2,110,404 | 1,178,500 | 221,342 | - | 1,399,842 | 710,562 | 296,068 |
| 9 | Air Conditioners | 300,972 | 44,531 | - | 345,503 | 157,853 | 45,021 | - | 202,874 | 142,629 | 143,119 |
| 10 | Mobile Phone | 458,920 | 37,257 | - | 496,177 | 268,036 | 55,888 | - | 323,924 | 172,253 | 190,884 |
| 11 | Testing Instrument | 830,944 | 709,165 | - | 1,540,109 | 253,899 | 54,734 | - | 308,633 | 1,231,476 | 577,045 |
| 12 | Scooter | 117,500 | - | - | 117,500 | 24,681 | 11,224 | - | 35,905 | 81,595 | 92,819 |
| 13 | Factory Shed | 19,957,692 | - | - | 19,957,692 | 1,231,765 | 635,457 | - | 1,867,222 | 18,090,470 | 18,725,927 |
| | Total (A) | 120,905,310 | 12,981,861 | 1,500,000 | 132,387,171 | 16,168,093 | 6,252,222 | - | 22,420,315 | 109,966,856 | 104,737,218 |
| B | Intangible Assets | | | | | | | | | | |
| 1 | Software | 270,000 | - | - | 270,000 | 562 | 51,580 | - | 52,142 | 217,858 | 269,438 |
| | Total (B) | 270,000 | - | - | 270,000 | 562 | 51,580 | - | 52,142 | 217,858 | 269,438 |
| | | | | | | | | | | | |
| | Total | 121,175,310 | 12,981,861 | 1,500,000 | 132,657,171 | 16,168,655 | 6,303,802 | - | 22,472,457 | 110,184,714 | 105,006,656 |
| | Previous Year's Total | 112,602,304 | 8,573,007 | - | 121,175,310 | 10,202,395 | 5,966,260 | - | 16,168,655 | | 105,006,656 |

| Note 13 | <u>Non Current Investment</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---------|--|----------------------------------|----------------------------------|
| | | Rs. | Rs. |
| | Long term Investments | | |
| | Gold Coin | 1,338,814 | 1,338,814 |
| | Shares with Tarapur Enviornmental Protection Society | 345,600 | 345,600 |
| | Investment in Subsidiary company | | |
| | Omega Woven Mills Pvt Ltd | 7,462,500 | 7,462,500 |
| | Om Maruti Glasswool & Wirenetting Products Pvt Ltd | 5,600,000 | 5,600,000 |
| | Total Rs. | 14,746,914 | 14,746,914 |

| Note 14 | <u>Long Term Loans and Advances</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---------|--|----------------------------------|----------------------------------|
| | | Rs. | Rs. |
| | Security Deposits | | |
| | Unsecured, considered good | | |
| | Other deposits | 1,482,163 | 553,982 |
| | Loans & Advances | | |
| | Unsecured, considered good | | |
| | - To Subsidiary Companies | 17,811,934 | 17,161,742 |
| | Total Rs. | 19,294,097 | 17,715,724 |

| Note 15 | <u>Inventories</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---------|--|----------------------------------|----------------------------------|
| | | Rs. | Rs. |
| | (a) Raw Materials and components (Valued at cost) | 96,136,570 | 50,398,556 |
| | (b) Finished goods (Valued at cost or market value which ever is less) | 60,379,492 | 37,528,774 |
| | (c) WIP | 14,468,095 | 4,561,502 |
| | (d) Goods In Transit | - | 11,331,665 |
| | Total Rs. | 170,984,157 | 103,820,498 |

AMBANI ORGANICS LIMITED

N-44, MIDC, Boisar

CIN:- U24220MH1985PLC036774

Note 16

| <u>Trade Receivables</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|--------------------------|--------------------------|
| | Rs. | Rs. |
| Sundry Debtors (Unsecured, considered good) | | |
| Debt outstanding for the period exceeding Six Months | 20,929,014 | 21,642,535 |
| Other Debts | 202,737,377 | 160,339,654 |
| TOTAL | 223,666,391 | 181,982,189 |

Note:- "Debt outstanding for the period exceeding Six Months" includes 2 parties to whom legal notice for recovery of debt amounted to Rs. 3,59,393/- has been initiated in year 2014-15 and for 4 parties amounting Rs. 15,17,051/- initiated in year 2018-19, all are in under dispute till date of signing of Financials.

Note 17

| <u>Cash And Cash Equivalent</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|--------------------------------------|--------------------------|--------------------------|
| | Rs. | Rs. |
| Cash & Cash Equivalent | | |
| i) Cash in hand | 1,312,432 | 910,327 |
| ii) Balance with Banks | | |
| -Current account with Scheduled Bank | 7,562,727 | 695,905 |
| iii) Buyers Credit Margin | 24,715,961 | 5,914,798 |
| TOTAL | 33,591,120 | 7,521,030 |

Note 18

| <u>Short Term Loans And Advances</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|--------------------------|--------------------------|
| | Rs. | Rs. |
| Other loans and advances Unsecured, Considered Good | | |
| i. Advances Income Tax & TDS | 5,222,685 | 3,630,341 |
| ii. Advances to Employees | 380,512 | 575,167 |
| iii. Others | 200,000 | 200,000 |
| TOTAL | 5,803,197 | 4,405,508 |

Note 19

| <u>Other Current Assets</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|-----------------------------|--------------------------|--------------------------|
| | Rs. | Rs. |
| Excise Refund Receivable | - | 704,050 |
| Vat Refund Receivable | 5,330,763 | 15,625,472 |
| Advance given to Supplier | 4,396,136 | 4,395,322 |
| Earnest Money Deposit (EMD) | 122,000 | - |
| Advance against Expenses | 30,259 | 8,673 |
| Gratuity Fund | 840,547 | - |
| Mat Credit Entitlement | 12,165,626 | 7,076,162 |
| Duty Drawback Receivable | 162,332 | 80,629 |
| Prepaid expenses | 635,374 | 1,254,615 |
| GST Credit Receivable | 12,608,954 | 8,101,962 |
| GST Refund Receivable | 2,720,416 | 4,505,694 |
| TOTAL | 39,012,407 | 41,752,579 |

AMBANI ORGANICS LIMITED
N-44, MIDC, Boisar
CIN:- U24220MH1985PLC036774

| | | | |
|---------|-------------------------------|----------------------------------|----------------------------------|
| Note 20 | Revenue From Operation | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
| | | Rs. | Rs. |
| | Domestic Sales | 851,430,208 | 644,645,740 |
| | Export Sales | 78,458,480 | 112,506,527 |
| | Total Rs. | 929,888,689 | 757,152,267 |

| | | | |
|---------|---------------------------------|----------------------------------|----------------------------------|
| Note 21 | Other Operational Income | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
| | | Rs. | Rs. |
| | Octroi Received | - | 27,503 |
| | Export Incentive | 909,948 | 319,708 |
| | Foreign Exchange Gain | 2,402,268 | 614,068 |
| | Interest Income | 1,110,145 | 827,775 |
| | Discount received | 55,299 | 884,165 |
| | Other Income | - | 190,198 |
| | Total Rs. | 4,477,660 | 2,863,417 |

| | | | |
|---------|---|----------------------------------|----------------------------------|
| Note 22 | <u>Cost of Material Consumed</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
| | | Rs. | Rs. |
| | Opening Stock | 50,398,556 | 41,915,856 |
| | Add : Purchase | 726,534,141 | 583,500,486 |
| | Less : Closing Stock | 96,136,570 | 50,398,556 |
| | TOTAL | 680,796,127 | 575,017,786 |

| | | | |
|---------|---|----------------------------------|----------------------------------|
| Note 23 | <u>Changes in Inventories</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
| | | Rs. | Rs. |
| | Closing Stock | | |
| | Finish Goods | 60,379,492 | 37,528,774 |
| | Semi Finish Goods | 14,468,095 | 4,561,502 |
| | Goods in Transit | - | 11,331,665 |
| | | 74,847,587 | 53,421,941 |
| | Opening Stock | | |
| | Finished Goods | 37,528,774 | 18,793,040 |
| | Semi Finish Goods | 4,561,502 | 132,251 |
| | Goods in Transit | 11,331,665 | - |
| | | 53,421,941 | 18,925,291 |
| | Net (Increase) / Decrease in Inventories | (21,425,646) | (34,496,650) |

| | | | |
|---------|--|----------------------------------|----------------------------------|
| Note 24 | <u>Employee Benefit Expenses</u> | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
| | | Rs. | Rs. |
| | Salaries & Wages | | |
| | Salaries, PF employer Contribution & Bonus | 22,468,466 | 17,704,584 |
| | Staff Welfare | 985,248 | 707,054 |
| | Labour Exp | - | 563,959 |
| | Director Remuneration | 5,800,000 | 4,846,469 |
| | Gratuity Expenses - (Refer Note 42) | 436,092 | 1,370,002 |
| | TOTAL | 29,689,806 | 25,192,068 |

Note 25

| Financial Cost | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---------------------------|----------------------------------|----------------------------------|
| | Rs. | Rs. |
| Bank Interest | | |
| Interest Paid to Bank | 21,380,960 | 17,073,797 |
| Bank Charges | | |
| Bank Charges | 2,225,571 | 3,680,747 |
| Loan Processing Fees | 553,166 | - |
| Interest to others | | |
| Interest on NBFC | 735,127 | 237,800 |
| TOTAL | 24,894,824 | 20,992,344 |

Note 26

| Other Expenses | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| | Rs. | Rs. |
| A. General Expenses | | |
| a. Manufacturing & Operating Expenses | | |
| Power & Fuel (Electricity Charges) | 745,727 | 609,306 |
| Stores & Spare Consumed | 901,640 | 853,710 |
| Transport Charges | 13,607,888 | 9,811,904 |
| Agency Charges | 441,448 | 495,657 |
| Water Charges | 407,881 | 262,495 |
| Factory Expenses | 613,362 | 862,667 |
| Factory Rent | 1,200,000 | 300,000 |
| Packing Expenses | 1,145,910 | 984,979 |
| Interest Paid to Suppliers | 395,149 | 406,986 |
| Clearing and Forwarding Charges | 3,795,550 | 2,605,300 |
| Warehousing Charges | 1,011,218 | 870,517 |
| Terminal Handling & Vessel Charges | - | 697,708 |
| Loading and unloading exp | 359,526 | - |
| Total Manufacturing & Operating Expenses | 24,625,297 | 18,761,229 |
| b. Selling and Distribution Expenses | | |
| Commission Brokerage | 7,780,436 | 4,965,325 |
| Business & Promotion Expenses | 1,470,348 | 1,123,564 |
| Advertisement | 35,000 | 3,024 |
| Inland Travelling | 181,157 | 225,218 |
| Discount (Sale) | 2,461,451 | 3,860,878 |
| Total Selling and Distribution Expenses | 11,928,392 | 10,178,009 |
| c. General Expenses | | |
| Miscellaneous Expenses | 19,884 | 171,159 |
| Sundry Balance Written Off | 1,559,689 | - |
| Interest on payment of statutory dues | 377,653 | 418,161 |
| General Expenses | 1,957,226 | 589,320 |
| Total Expenses (A) | 38,510,915 | 29,528,558 |
| B. Establishment Expenses | | |
| Postage & Courier | 403,057 | 280,610 |
| Professional Charges | 3,650,128 | 2,244,688 |
| Security Charges | 698,157 | 654,616 |
| Stationery Expenses | 488,249 | 253,332 |
| Auditors Remuneration | 300,000 | 120,000 |
| Repair & Maintenance | 1,716,840 | 1,075,692 |
| Donation | 5,000 | 26,700 |
| License Fees | 232,210 | 149,768 |
| Membership & Subscription | 51,400 | 125,406 |
| Office Expenses | 615,851 | 667,928 |
| Insurance | 1,224,546 | 826,412 |
| Conveyance Expenses | 233,343 | 680,621 |
| Telephone and Internet Expenses | 388,871 | 396,214 |
| Electricity Expenses | 1,684,837 | 1,943,915 |
| Motor Car Expenses | 107,593 | 264,855 |
| Rent, Rate & Taxes | 1,058,343 | 432,929 |
| Lab Expenses | 663,300 | 413,378 |
| Software Expenses | 139,880 | 62,690 |
| Vat Expenses | 816,057 | 526,328 |
| Total Establishment Expenses | 14,477,661 | 11,146,082 |
| TOTAL (A+B) | 52,988,576 | 40,674,640 |

Note :- Research and Development Expenditure included in the Statement of Profit & Loss:-

| | | |
|--|------------------|------------------|
| Salaries, PF employer Contribution & Bonus | 4,547,134 | 3,249,500 |
| Rent, Rate & Taxes | 11,000 | 121,000 |
| Lab Expenses | 663,300 | 413,377 |
| Staff Welfare | 95,655 | 83,178 |
| Postage & Telegram | 64,000 | 55,612 |
| Material Cost | 1,117,800 | 810,000 |
| Packing Material | 637,200 | 540,000 |
| TOTAL | 7,136,089 | 5,272,667 |

Note 27 Profit and loss from exceptional items:

| Exceptional Items | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|-----------------------------|----------------------------------|----------------------------------|
| | Rs. | Rs. |
| Export Obligation Liability | 3,602,661 | - |
| Prior Period Expenses | - | 7,635 |
| TOTAL | 3,602,661 | 7,635 |

Note 28 Contingent Liabilities:

| Sr. No | Particular | 2018-19 | 2017-18 |
|---------------|--|----------------|----------------|
| (i) | Claims against the company not acknowledged | NIL | NIL |
| (ii) | Commitments, Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets. | - | - |
| (iii) | TDS default liabilities are showing on TRACES website. | 130,675 | - |

Note: The Income-tax assessment of the Company has been completed up-to assessment year 2017-18, The Company has been demanded to pay a tax liability of Rs. 8,869 & Rs.17,238 for the A.Y. 2011-12 & 2012-13 respectively and same has been not paid.

Note 29 Balances of Sundry Debtors, Sundry Creditors Assets, Loans & Advances and Deposits as on 31st March 2019 either debit or credit are subject to confirmation, reconciliation and adjustments, if any.

Note 30 In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated in the Balance Sheet which would be realized in the ordinary course of business.

Note 31 The Board of Directors has waived off the board Meeting fees.

Note 32 Figures of the previous year have been regrouped / reclassified, wherever necessary to make them comparable with the figures under review.

Note 33 Segment Reporting as per AS-17

- a. The Organization been processor, importer, Supplier and Exporter of Chemical & Dyes used in the Painting and Textile Industry, which have similar risk and returns and also similar market conditions of demand and supply. All other activities of the company revolve around the main business; as such there are inherent natures of these activities are governed by the same set of risk and returns; these have been grouped as a single segment. The company does not have any other reportable as defined under the Accounting Standard 17 (AS-17) for segment reporting.

- b. Geographical Segments as secondary segment:

| Particular | 2018-19 | 2017-18 |
|------------------------------------|--------------------|--------------------|
| Exports (Including duties & Taxes) | 78,458,480 | 112,506,527 |
| India (Including duties & Taxes) | 851,430,208 | 644,645,740 |
| Total | 929,888,689 | 757,152,267 |

Note 34 Particulars of Remuneration to Statutory Auditors

(Amount In Rs.)

| Particular | 2018-19 | 2017-18 |
|--------------------------------|----------------|----------------|
| Audit Fees (Excluding Taxes) | 200,000 | 80,000 |
| Tax Audit (Excluding Taxes) | 100,000 | 40,000 |
| Fees for Certification Charges | 74,340 | 5,870 |

Note 35 Details of Component of Raw material consumed

(Amount in Rs.)

| Particular | 2018-19 | | 2017-18 | |
|-------------------|--------------------|-------------------|--------------------|-------------------|
| | Value | Percentage | Value | Percentage |
| Indigenous | 475,483,854 | 70% | 494,476,982 | 86% |
| Imported | 205,298,367 | 30% | 80,540,804 | 14% |
| Total | 680,782,221 | 100% | 575,017,786 | 100% |

Note 36 Expenditure In Foreign Currency

| Particular | 2018-19 | 2017-18 |
|------------|---------|---------|
| Commission | 73,730 | 288,673 |

Note 37 Value of Imports and Exports

| Particular | 2018-19 | 2017-18 |
|-------------------------------|-------------|-------------|
| Value of Imports on CIF Basis | 205,298,367 | 86,629,804 |
| Value of Exports on FOB Basis | 78,458,480 | 112,506,527 |

Note 38 Earnings In Foreign Currency

| Particular | 2018-19 | 2017-18 |
|-------------------------|------------|------------|
| Towards Export of goods | 65,242,990 | 87,554,370 |

Note 39 Disclosure of related parties (As required by AS-18 Related party disclosure)

List of key management personnel:

| Reno. | Name of the Individual | Relationship |
|-------|------------------------|---------------------------------------|
| 1 | Mr Rakesh Shah | Key Management |
| 2 | Mrs Apooni Shah | Key Management |
| 3 | Mr Sharad Kothari | Key Management |
| 4 | Mr Aashay R Shah | Relative of Key Management |
| 5 | Mr. Bhavesh Pandya | Chief Financial Officer (CFO) |
| 6 | Mr. Paresh Shah | Chief Executive Officer (CEO) |
| 7 | Mrs. Neha Shah | Wife of Chief Executive Officer (CEO) |

List of Subsidiary Company :-

| Sn. | Name | Relation |
|-----|--|--------------------|
| 1 | Omega Woven Mills Pvt Ltd | Subsidiary Company |
| 2 | Om Maruti Glasswool & Wirenetting Products Pvt Ltd | Subsidiary Company |

Disclosure of related party transaction (During the year):

(Amount in Rs.)

| Sr.No. | Nature of transaction | Subsidiary Company | Key Management | Relative of Key Management/ Associate | Total |
|--------|---|--------------------|----------------|---------------------------------------|--------------|
| 1 | Salary | - | 7,017,677 | 1,449,621 | 8,467,298 |
| | | - | (4,846,469) | - | (4,846,469) |
| 2 | Investment Made during the year | - | - | - | - |
| | | (5,600,000) | - | - | (5,600,000) |
| 3 | Unsecured Loan Received | - | 1,380,418 | - | 1,380,418 |
| | | - | (11,255,666) | - | (11,255,666) |
| 4 | Unsecured Loan Repayment | - | 2,467,800 | - | 2,467,800 |
| | | - | (8,976,523) | - | (8,976,523) |
| 5 | Unsecured Loan given | 1,818,279 | - | - | 1,818,279 |
| | | (10,248,163) | - | - | (10,248,163) |
| 6 | Equity Share Purchase of subsidiary Company | - | - | - | - |
| | | - | (5,600,000) | - | (5,600,000) |
| 7 | Factory Rent Paid | 1,200,000 | - | - | 1,200,000 |
| | | (300,000) | - | - | (300,000) |
| 8 | Amount Received Back Against Loan | 1,200,000 | - | - | 1,200,000 |
| | | - | - | - | - |

Note- Figure in bracket represents last year data.

Detail of transaction with Subsidiary company :-

| No | Name | Unsecured Loan given | Rent Paid | Amount Received Back Against Loan |
|--------------|--|----------------------|------------------|-----------------------------------|
| 1 | Omega Woven Mills Pvt Ltd | 474,665 | 600,000 | 600,000 |
| 2 | Om Maruti Glasswool & Wirenetting Products Pvt Ltd | 1,343,614 | 600,000 | 600,000 |
| TOTAL | | 1,818,279 | 1,200,000 | 1,200,000 |

Detail of Salary and interest given to key managerial personnel and Relatives:

(Amount in Rs.)

| Sr. No. | Name | Salary/ Director Remuneration | Unsecured Loan Received | Unsecured Loan Repayment |
|--------------|--------------------|-------------------------------|-------------------------|--------------------------|
| 1 | Mr. Rakesh Shah | 4,000,000 | 400,178 | 167,800 |
| 2 | Mrs. Apooni Shah | 1,800,000 | 100,000 | 2,200,000 |
| 3 | Mr. Sharad Kothari | 454,986 | - | - |
| 4 | Mr Aashay R Shah | 1,200,000 | 880,240 | 100,000 |
| 5 | Mr. Bhavesh Pandya | 427,737 | - | - |
| 6 | Mr. Paresh Shah | 334,954 | - | - |
| 7 | Mrs. Neha Shah | 249,621 | - | - |
| TOTAL | | 8,467,298 | 1,380,418 | 2,467,800 |

Disclosure of outstanding amount at year end:

(Amount in Rs.)

| No | Name | Type of Transaction | Amount |
|----|--|-------------------------|------------|
| 1 | Mr. Rakesh Shah | Unsecured Loan Received | 232,378 |
| 2 | Mrs. Apooni Shah | Unsecured Loan Received | 3,534,776 |
| 3 | Mr Aashay R Shah | Unsecured Loan Received | 780,240 |
| 4 | Omega Woven Mills Pvt Ltd | Unsecured Loan Given | 7,544,547 |
| 5 | Om Maruti Glasswool & Wirenetting Products Pvt Ltd | Unsecured Loan Given | 10,267,387 |

Note 40 In compliance with the Accounting Standard 22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountant of India, the deferred tax liability accruing during the year has been recognized in the Profit and Loss Account.

Major components of the Deferred Tax Liability/Asset are as follows:-

(Amount in Rs.)

| Particulars | Balance as on April 1, 2018 (DTA) | Arising during the year (P&L) | Balance carried forward (DTL) |
|--|-----------------------------------|-------------------------------|-------------------------------|
| Deferred Tax liability/Asset on account of timing difference in depreciation | (827,206) | (6,618,832) | 5,791,626 |
| TOTAL | (827,206) | (6,618,832) | 5,791,626 |

Note 41 Disclosure as per AS 15 for Gratuity Liability

Defined Contribution Plans Amount of Rs. 691786 (PY Rs. 621275) towards Provident Fund is recognized as an expenses & included in "Salaries, PF employer Contribution & Bonus" in Profit & Loss.

Defined Benefits plan and short term Employee benefits

Gratuity (Defined Benefits Plan)

The Company has a defined benefit gratuity plan. Every Employee who has completed Five years of service get a gratuity on death or resignation or retirement at 15 days of salary (last drawn salary) for each completed year of service. The Gratuity has been provided on the basis of valuation provided by the actuary based on Projected Unit Credit Method.

| Date of Valuation | 01/03/2019 |
|------------------------|--------------------|
| Number of Member | 85 |
| Average Age | 33.59 |
| Average Monthly Salary | 9382.23 |
| Average Past Service | 4.42 |
| Mortality Rate | LIC (2006-08) |
| Withdrawal Rate | 1% to 3% depending |
| Discount Rate | 7.5% P.A. |
| Salary Escalation | 4% |

AMBANI ORGANICS LIMITED
N-44, MIDC, Boisar
CIN:- U24220MH1985PLC036774

Result of Valuation

| | |
|-------------------------------|-----------|
| PV Of Past Service Benefit | 1,573,678 |
| Fund Value as on Renewal Date | 840,547 |
| Current Service Cost | 436,092 |

| | |
|----------------------------------|------------------|
| Particular | 31-Mar-19 |
| Gratuity Provision - Non Current | 1,377,047 |
| Gratuity Provision -Current | 459,015 |

Signature to Note No. 1 to 41 forming part of the Balance Sheet and Statement of Profit & Loss.

As per our audit report of even date.

As per our Report of even date

For Shambhu Gupta & Co.

FRN No.:- 007234C

Chartered Accountants

sd/-

CA. Rajkumar Khatod

Partner

Membership No. 133612

Place :- Mumbai

Dated :- May, 25th 2019

For and on behalf of Board of Directors of

AMBANI ORGANICS LIMITED

sd/-

Mr. Rakesh Shah

Managing Director

DIN No. 00503074

sd/-

Mr. Bhavesh Pandya

Chief Financial Officer

sd/-

Mrs. Apooni Shah

Whole time Director

DIN No. 00503116

sd/-

Ms. Vijanti

Sawant

Company Secretary

sd/-

Mr. Paresh Shah

Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of Ambani Organics Limited,

1. We have audited the accompanying consolidated financial statements of **Ambani Organics Limited** and its subsidiaries **Omega Woven Mills Private Limited** and **Om Maruti Glasswool & Wirenwtting Products Private Limited** (collectively referred to as "group") which comprise the consolidated Balance Sheet as at 31st March, 2019 and consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. The Holding Company Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly AS 21, consolidated Financial Statement). This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the group and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements by the Directors of the Holding Company as aforesaid that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company that gives true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion we report that the Consolidated Financial Statement have been prepared by the company's Management in accordance with the requirement of Accounting Standard (AS) 21 – Consolidated Financial Statement notified under section 2 Clause 2 of Companies Act 2013, In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- d) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
 - e) in the case of Consolidated Profit & Loss Account, of the loss for the year ended on that date; and
 - f) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Legal and other Regulatory Requirements

3. As required by Companies (Auditor's Report) Order, 2016 issued by the central government of India in terms of subsection (11) of section 143 of the act, we give in the "**Annexure 1**" a statement on the matters specified in the order.
4. As required by section 143 (3) of the Act, we report that:
- a) We have sought and obtained all information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Consolidated Balance Sheet and Consolidated Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss comply with the Accounting Standards specified under section 133 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors of the Holding company as on 31st March 2019 and taken on record by the Board of Directors of Holding Company, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of Internal Financial controls over financial reporting of company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-2**" to this report.

g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us –

- i. The Company does not have pending litigation.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

For Shambhu Gupta & Co.

Chartered Accountants

FRN No.:- 007234C

Sd/-

CA. Rajkumar Khatod

Partner

M. No. 133612

Place: Mumbai

Date: May, 25th 2019

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY ON THE ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

Our reporting on the Order includes Two Subsidiaries Company incorporated in India, to which the Order is applicable, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of a subsidiary company incorporated in India, which have been included in the consolidated financial statements based on audited financial statements of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, we report that

- (i) (a) The Group Company has maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all fixed assets of the Holding and subsidiary Company have been physically verified by the management during the year and the procedures of physical verification followed by the management, in our opinion, was reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed during such verification.
- (c) According to information & explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) In respect of the inventories of the holding company and its subsidiary company incorporated in the inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the holding company is given loan to its both subsidiaries companies and its covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The terms & Condition of the grant of such loans are not prejudicial to the company's interest.
 - (b) There is no repayment schedule for payment of principle and interest between both the companies, Hence the provision of clause (b) and (c) are not applicable to company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and advances made.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public. Hence the provisions of this clause are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii)
 - (a) The Company is regular in depositing with appropriate authorities all undisputed statutory dues.
 - (b) According to the information and explanation given to us, there are no dues on account of GST, Customs duty and Cess which have not been deposited on account of any disputes.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any Bank or financial institutions during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loan taken by the company has been applied for the purpose for which they were raised.
- (x) In our opinion and according to the information and explanations given to us there is no any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, sec 197 read with schedule V of the companies act , 2013 dealing with managerial remuneration is not applicable to the company.
- (xii) The company is not a Nidhi Company so the provision of this clause is not applicable to company.
- (xiii) All transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 and have been disclosed in the Consolidated Financial Statements as required by the accounting standards and Companies Act, 2013. As regards to Sec 177 of Companies Act, 2013 dealing with the Audit Committee is not applicable to the company.
- (xiv) During the year the Group Company has not made any preferential allotment/ Private placement of shares or fully or partly convertible debenture during the year.

- (xv) In our opinion and according to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him so provisions of Section 192 of Companies Act, 2013 have been complied with.
- (xvi) The group company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Shambhu Gupta & Co.

Chartered Accountants

FRN No.:- 007234C

Sd/-

CA. Rajkumar Khatod

Partner

M. No. 133612

Place: Mumbai

Date: May, 25th 2019

“ANNEXURE 2” TO THE INDEPENDENT AUDITOR’S REPORT REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING “REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2019 in conjunction with our audit of the standalone financial statements “Ambani Organics Limited “ (the Holding Company) and its subsidiary which is incorporated in India as on that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company are 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Because the matter described in Disclaimer of opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on Internal Financial Controls over Financial Reporting of the company.

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 pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company 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 provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding company and its subsidiary 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, 2019, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

For Shambhu Gupta & Co.

Chartered Accountants

FRN No.:- 007234C

Sd/-

CA. Rajkumar Khatod

Partner

M. No. 133612

Place: Mumbai

Date: May, 25th 2019

Consolidated Balance Sheet for the year ended 31st March, 2019

| Particulars | Note No | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|---------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 50,786,590 | 38,106,590 |
| (b) Reserves and Surplus | 3 | 103,671,151 | 20,775,014 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term Borrowings | 4 | 18,512,002 | 28,760,218 |
| (c) Other Long term Liabilities | 5 | 55,344,795 | 55,334,730 |
| (b) Deferred tax liabilities (Net) | 6 | 3,646,945 | - |
| (d) Long-term Provision | 7 | 6,466,511 | 5,299,056 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 8 | 122,864,203 | 124,747,412 |
| (b) Trade payables | 9 | 241,514,890 | 194,147,130 |
| (c) Other current liabilities | 10 | 8,276,281 | 8,296,308 |
| (d) Short-term provisions | 11 | 2,726,178 | 1,798,463 |
| Total | | 613,809,546 | 477,264,921 |
| II.ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 12 | | |
| (i) Tangible assets | | 118,628,116 | 113,462,369 |
| (ii) Intangible assets | | 15,918,581 | 15,970,161 |
| (b) Non-current investments | 13 | 2,001,584 | 2,001,584 |
| (c) Long term loans and advances | 14 | 1,494,313 | 566,132 |
| (d) Deferred Tax Assets (Net) | 6 | - | 3,092,891 |
| (d) Other non-current assets | | - | - |
| (2) Current assets | | | |
| (a) Inventories | 15 | 170,984,157 | 103,820,498 |
| (b) Trade receivables | 16 | 225,503,658 | 183,819,457 |
| (c) Cash and cash equivalents | 17 | 33,879,034 | 7,776,552 |
| (d) Short-term loans and advances | 18 | 6,014,197 | 4,526,508 |
| (e) Other current assets | 19 | 39,385,906 | 42,228,769 |
| Total | | 613,809,546 | 477,264,921 |
| Significant accounting policies | 1 to 41 | | |
| Notes to the consolidated financial statements | | | |

As per our Report of even date
For Shambhu Gupta & Co.
FRN No.:- 007234C
Chartered Accountants

sd/-

CA. Rajkumar Khatod
Partner
Membership No. 133612

Place :- Mumbai
Dated :- May 25th, 2019

sd/-
Mr. Paresh Shah
Chief Executive Officer

For and on behalf of Board of Directors of
AMBANI ORGANICS LIMITED

sd/-

Mr. Rakesh Shah
Director
DIN No. 00503074

sd/-

Mr. Bhavesh Pandya
Chief Financial Officer

sd/-

Mrs. Apooni Shah
Director
DIN No. 00503116

sd/-

Ms. Vijanti Sawant
Company Secretary

AMBANI ORGANICS LIMITED

N-44, MIDC, Boisar

CIN:- U24220MH1985PLC036774

Consolidated Profit and Loss statement for the year ended 31st March, 2019

| Particulars | Note No. | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|------------|--------------------------|--------------------------|
| I. Revenue from operations | 20 | 929,888,689 | 757,152,267 |
| Less:- Duties & Taxes | | 132,794,222 | 104,200,850 |
| Net Revenue from operations | | 797,094,467 | 652,951,417 |
| II. Other Operational Income | 21 | 4,480,054 | 2,863,417 |
| III. Total Revenue | | 801,574,521 | 655,814,834 |
| <u>IV. Expenses:</u> | | | |
| Cost of materials consumed | 22 | 680,796,127 | 575,017,786 |
| Changes in inventories of finished goods and Stock-in-Trade | 23 | (21,425,646) | (34,496,650) |
| Employee benefit expense | 24 | 29,689,806 | 25,392,068 |
| Financial costs | 25 | 24,894,826 | 20,993,115 |
| Depreciation and amortization expense | | 6,749,414 | 6,378,650 |
| Other expenses | 26 | 53,260,737 | 41,531,410 |
| IV Total Expenses | | 773,965,264 | 634,816,379 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | 27,609,256 | 20,998,455 |
| VI. Exceptional items | 27 | 3,602,661 | (101,205) |
| VII Profit before extraordinary items and tax | (V - VI) | 24,006,595 | 21,099,660 |
| VIII. Extraordinary Items | | | - |
| IX. Profit before tax | (VIII-IX) | 24,006,595 | 21,099,660 |
| X. Tax expense: | | | |
| (1) Current tax | | 5,089,464 | 4,579,489 |
| (2) Mat Credit Entitlement | | (5,089,464) | (4,579,489) |
| (3) Tax adjustment of earlier year | | - | 264,949 |
| (3) Deferred tax | | 6,739,836 | (3,164,309) |
| XI. Profit/(Loss) before Minority Interest | (IX-X) | 17,266,759 | 17,670,402 |
| XII. Minority Interest | | - | - |
| XIII. Profit/(Loss) transfer to Reserve & Surplus | (XI-XII) | 17,266,759 | 17,670,402 |
| XIV. Earning per equity share: | | | |
| Basic EPS (In Rs.) | | 3.40 | 4.64 |
| Diluted EPS (In Rs.) | | 3.40 | 4.64 |
| Significant Accounting Policies | 1 to 41 | | |
| Notes on Financial Statements | | | |

As per our Report of even date

For Shambhu Gupta & Co.

FRN No.:- 007234C

Chartered Accountants

sd/-

CA. Rajkumar Khatod

Partner

Membership No. 133612

Place :- Mumbai

Dated :- May 25th, 2019

sd/-

Mr. Paresh Shah

Chief Executive Officer

For and on behalf of Board of Directors of

Ambani Organics Limited

sd/-

Mr. Rakesh Shah

Managing Director

DIN No. 00503074

sd/-

Mr. Bhavesh Pandya

Chief Financial Officer

sd/-

Mrs. Apooni Shah

Whole Time Director

DIN No. 00503116

sd/-

Ms. Vaijanti Sawant

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2019

| | Particulars | Year ended on 31.03.2019 | Year ended on 31.03.2018 |
|----------|---|-----------------------------|-----------------------------|
| A | <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| | Net Profit before tax and before extraordinary items | 24,006,595 | 21,099,660 |
| | <u>Adjustments for : -</u> | | |
| | Depreciation | 6,749,414 | 6,378,650 |
| | Interest Expenses | 22,116,087 | 20,993,115 |
| | Profit/Loss on sale of fixed assets | - | (108,840) |
| | Tax Adjustmet of Earlier Years | - | (264,949) |
| | Initial Public offer Expenses | (5,378,621) | - |
| | Pre-Acquisition Profit/Loss | - | (1,542,612) |
| | Interest Income | (2,404,662) | (190,198) |
| | Operating profit before working capital changes | 45,088,813 | 46,364,827 |
| | <u>Adjustments for : -</u> | | |
| | Inventories | (67,163,659) | (40,933,307) |
| | Short term provisions | 927,715 | 777,185 |
| | Short term borrowings | (1,883,209) | 27,377,280 |
| | Other Current Liabilities | (20,027) | (611,778) |
| | Other Current Assets | 8,185,548 | (17,255,737) |
| | Trade and other receivables | (41,684,201) | (22,861,445) |
| | Long term Provision | 1,167,455 | 2,633,448 |
| | Other Long term Liabilities | 10,065 | 1,149,335 |
| | Long term Loans and Advances | (928,181) | (195,851) |
| | Short term Loans and Advances | (1,487,689) | 874,747 |
| | Trade Payables | 47,367,760 | 39,569,559 |
| | Net (Increase)/Decrease in Working Capital | (55,508,423) | (9,476,565) |
| | Cash generated from / (used in) Operating Activities | | |
| | Taxes (Paid) (including TDS) | 5,342,685 | 3,660,341 |
| | Net Cash from operating activities | (15,762,295) | 33,227,921 |
| B | <u>Cash Flow from Investing Activities:</u> | | |
| | Purchase of fixed assets | (13,363,581) | (19,997,053) |
| | Sale of Fixed assets | 1,500,000 | 907,500 |
| | Investment in Non-Current Investment | - | (317,170) |
| | Interest Received | 2,404,662 | 190,198 |
| | Net Cash used in investment activities | (9,458,919) | (19,216,525) |
| C | <u>Cash Flow from Financing Activities:</u> | | |
| | Equity Share Issued | 12,680,000 | - |
| | Securities Premium Received | 71,008,000 | - |
| | Proceeds / (Repayment) of Long-term Borrowings | (10,248,216) | 7,263,826 |
| | Interest Paid | (22,116,087) | (20,993,115) |
| | Net Increase / (Decrease) in Cash and Cash Equivalents | 26,102,482 | 282,109 |
| | Opening Balance Cash & Cash Equivalents | 7,776,552 | 7,494,443 |
| | Closing Balance Cash & Cash Equivalents | 33,879,034 | 7,776,552 |

Consolidated Cash Flow Statement for the year ended 31st March, 2019

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 2 Cash and Cash Equivalent at the end of the year consist of cash in hand and balances with banks, fixed deposit from banks and buyers margin.

As per our Audit Report of even date

As per our Report of even date
For Shambhu Gupta & Co.
FRN No.:- 007234C
Chartered Accountants

sd/-

CA. Rajkumar Khatod
Partner
Membership No. 133612

sd/-

Place :- Mumbai
Dated :- May 25th, 2019

Mr. Paresh Shah
Chief Executive Officer

For and on behalf of Board of Directors of
AMBANI ORGANICS LIMITED

sd/-

Mr. Rakesh Shah
Managing Director
DIN No. 00503074

sd/-

Mr. Bhavesh Pandya
Chief Financial Officer

sd/-

Mrs. Apooni Shah
Whole Time Director
DIN No. 00503116

sd/-

Ms. Vijanti Sawant
Company Secretary

NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES

Background & General Information

Our Company was incorporated as Ambani Organics Limited on 08th July 1985 under the companies Act, 1956 bearing registration no. 036774 and having its registered office in Boisar, Tarapur Maharashtra. Subsequently, the status of company was changed to a public limited company and the name of our company was changed to Ambani Organics Limited vide special resolution dated March 07, 2018. A fresh certificate of incorporation consequent upon change of name was issued on March 07, 2018 by the Registrar of Companies, Mumbai, Maharashtra, further company listed the share on NSE on 18th July 2018.

Ambani Organics Limited is a chemical manufacturing company with manufacturing and Processor, Importer, Supplier and Exporter of Chemical & Dyes used in Painting and Textile Industry.

A. Basis for Consolidation

The Consolidated Financial Statements comprise the individual financial statements of the Company and its subsidiary as on March, 31 2019 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:-

(a) The financial statements of the Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealised profits or losses in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2006.

(b) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company, i.e. March 31, 2019.

(c) Investments in subsidiaries are eliminated and differences between the cost of investment over the net assets on the date of investment in subsidiaries are recognised as Goodwill or Capital Reserve, as the case may be.

(d) Minority Interest's share of net profit or loss of subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Company.

(e) **Minority Interest's share of net assets** of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet as a separate item from liabilities and the Shareholders' Equity.

(f) The Consolidated Financial Statements are prepared using **uniform Accounting Policies** for like transactions and other events in similar circumstances and are presented in the same manner as the standalone financial statements of the Company.

The Subsidiaries in the Consolidated Financial Statements are as under:

| Name of the entity | Proportion of ownership interest March 2019 |
|--|---|
| Subsidiary | |
| Omega Woven Mills Private Limited | 99.50% |
| Om Maruti Glasswool & Wirenetting Products Private Ltd | 99.86% |

B. Use of Estimates

The preparation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. Fixed Assets & Depreciation

Fixed assets are stated at cost inclusive of value added tax less accumulated depreciation and impairment loss, if any. All costs including financing costs till commencement of commercial production. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on fixed assets is provided on straight line method using the life of assets based on the useful lives provided by the Schedule II of Companies Act 2013.

Depreciation on assets acquired / disposed off during the year has been provided on a pro-rata basis from the date of addition or up to the date of disposal as applicable.

There is no difference in life of assets as prescribed in schedule II of Companies Act 2013 and in our working.

D. Revenue Recognition

Sales are exclusive of Duties & Taxes. Sales are recognized when significant risk and rewards of ownership of goods are passed on to customers. Sales tax incentives are recognized as income as and when the amounts of incentive are confirmed by the respective officers.

E. Investments

Current investments are carried at lower of cost and quoted/ fair market value, compared category wise. Long term Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than a temporary.

F. Inventories

Inventories are valued at:

1. Raw Materials, Stores & Spare Parts: At Cost (FIFO).
2. Finished Goods: The cost is determined by taking material, labour & related factory overheads. The company follows exclusive method for valuation of stock. It is valued at lower of Cost or net reliable value.
3. Consumable Stores : At Cost (FIFO)

G. Impairment of Assets.

The carrying amount of assets is reviewed at each Balance-sheet date if there is an indication of impairment based on the internal and external factors. An impairment loss if any is charged to Statement of Profit & Loss in the year in which the amount is identified as impaired. There are no assets which can be termed is impaired asset during the year.

H. Employee Benefits

Short term employee benefits and contribution to defined contribution plans are recognized as an expense on accrual at the undiscounted amount in the Statement of Profit and Loss. Other long term employee benefits in the nature of gratuity are accounted on Cash basis and computed in accordance with the policy of the company in the said regard.

I. Foreign Currency Transaction

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the rate of the transactions. Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rates and rate on the date of the contract recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract.

J. Provision for Current and Deferred Tax

Provision for taxation is made on the basis of the taxable profits computed for the current accounting year in accordance with the provision contained in the Income-tax Act, 1961. Provision is also made for the deferred tax assets arising due to C/F losses & deferred tax liability arising due to the timing difference between profit computed as per the Income-tax and the financial statements. Net Deferred tax Assets resulting from the timing difference & losses are expected to crystallize in the future.

NOTES ON ACCOUNTS

Note 2.a Disclosure of Share Capital

| <u>Share Capital</u> | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------|---------------------|------------|
| | Number | Rs. | Number | Rs. |
| <u>Authorised</u> Equity Shares Of Rs. 10/- Each | 7,000,000 | 70,000,000 | 4,000,000 | 40,000,000 |
| <u>Issued, Subscribed & Paid up</u> Equity Shares of Rs. 10/- each fully Paid | 5,078,659 | 50,786,590 | 3,810,659 | 38,106,590 |
| Total Rs. | 5,078,659 | 50,786,590 | 3,810,659 | 38,106,590 |

Note 2.b Disclosure related to Outstanding share detail

| <u>Particulars</u> | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------|---------------------|------------|
| | Equity Shares | | Equity Shares | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the begining of the year | 3,810,659 | 38,106,590 | 3,810,659 | 38,106,590 |
| Shares Issued during the year | 1,268,000 | 12,680,000 | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 5,078,659 | 50,786,590 | 3,810,659 | 38,106,590 |

Note 2.c Details of the Shareholding more than 5%

| <u>Name of Shareholder</u> | As at 31 March 2019 | | As at 31 March 2018 | |
|----------------------------|---------------------|--------------|---------------------|-------|
| | No. of Shares | % of Holding | No. of Shares | % of |
| Rakesh Shah | 3,364,721 | 66.25 | 3,464,721 | 90.92 |
| Apooni Shah | 314,738 | 6.20 | 314,738 | 8.26 |

Note 3

| Reserves & Surplus | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| | Rs. | Rs. |
| Securities Premium Account | | |
| Opening Balance | 2,894,410 | 2,894,410 |
| Add : Securities premium credited on Share issue | 71,008,000 | - |
| Closing Balance | 73,902,410 | 2,894,410 |
| Investment Allowance Reserves | - | - |
| Subsidy | - | - |
| | - | - |
| Profit and loss Account | | |
| Opening balance | 17,880,603 | 1,752,813 |
| (-) Initial Public offer Expenses | 5,378,621 | - |
| (+) Net Profit/(Net Loss) For the current year | 17,266,759 | 17,670,402 |
| (+) Pre-Acquisition Profit/Loss | - | (1,542,612) |
| Closing Balance | 29,768,741 | 17,880,603 |
| | | |
| Total Rs. | 103,671,151 | 20,775,014 |

Note 4

| Long Term Borrowings | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| | Rs. | Rs. |
| Secured | | |
| (a) Loans from Banks | | |
| Union Bank of India | | |
| i) Term Loan for Plant and Machinery * | 10,264,684 | 14,541,869 |
| ii) Car Loan ** | 847,792 | 1,507,764 |
| * | | |
| (i) The above loan from UBI and debts are secured by first mortgage of Plant & machinery's purchased from this loan and personal guarantee of directors and payable in 84 monthly installment of Rs.3,10,000/- Starting from month of March,2016. | | |
| ** | | |
| (ii) The Car Loan from UBI and it is secured by vehicle only. | | |
| A | 11,112,476 | 16,049,633 |
| Unsecured | | |
| a) Intercompany Loans | 3,712,500 | 4,468,285 |
| b) From Directors | 2,967,613 | 5,634,776 |
| c) Unsecured Loan from NBFC | 719,414 | 2,607,524 |
| d) Loan from Holding Company | - | - |
| B | 7,399,527 | 12,710,585 |
| | | |
| Total (A+B) | 18,512,002 | 28,760,218 |

| | | | |
|--------|--|----------------------------|----------------------------|
| Note 5 | Other Long term Liabilities | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Other Long term Liabilities | | |
| | a) Acceptances | 54,185,395 | 54,185,395 |
| | b) Security Deposit | 1,159,400 | 1,149,335 |
| | Closing Balance | 55,344,795 | 55,334,730 |
| Note 6 | Deferred Tax Liability/(Assets) | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Opening Deferred Tax Assets | (3,092,891) | (6,257,200) |
| | For Current Year (P&L) | 6,739,836 | (3,164,309) |
| | Closing Balance | 3,646,945 | (3,092,891) |
| Note 7 | Long-term Provision | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Provision for Tax | 5,089,464 | 4,579,489 |
| | Provision for Gratuity -Refer Note 41 | 1,377,047 | 719,567 |
| | Total | 6,466,511 | 5,299,056 |
| Note 8 | Short Term Borrowings | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Secured | | |
| | (a) Loans Repayable on Demand - Working Capital Loan Union Bank of India, Mumbai. | 122,814,203 | 120,430,412 |
| | (b) Buyers Credit | - | 4,267,000 |
| | * | | |
| | ("The validity of the buyers credit and LC is for 3 months from date of issue with the possibility of roll-over. However as the buyers credit is a sub-limit of the LC sanctioned by the bank, the same has been classified as Short term borrowing in the financial Statements.") | | |
| | (Secured against Stock of Raw Material, Finished Goods, Other Inventory, Book Debts, Term Deposit, Land & Building and Personal Guarantee of the Directors.) | | |
| | Other Loans and Advances | | |
| | Others. | 50,000 | 50,000 |
| | Total Rs. | 122,864,203 | 124,747,412 |

| Note 9 | Trade Payables | As at 31 March 2019 | As at 31 March 2018 |
|---|--|------------------------|------------------------|
| | | Rs. | Rs. |
| | Sundry Creditors (Including Letter of Credit) | | |
| | (a) Sundry Creditors for goods & Service | 241,514,890 | 194,147,130 |
| | Total Rs. | 241,514,890 | 194,147,130 |
| <i>As at March 31, 2019 there are no outstanding dues to Micro, Small and Medium Enterprises, identified by the company also there is no interest due or outstanding on the same.</i> | | | |

| Note 10 | Other Current Liabilities | As at 31 March 2019 | As at 31 March 2018 |
|---------|---|------------------------|------------------------|
| | | Rs. | Rs. |
| | (A) Current Maturities of Long-Term Debt | | |
| | Secured | | |
| | (a) Loans from Bank | | |
| | Union Bank of India, Mumbai | | |
| | i) Term Loan for Plant and Machinery * | 3,720,000 | 3,720,000 |
| | ii) Car Loan ** | 652,070 | 682,387 |
| | * | | |
| | (i) The above loan from UBI and debts are secured by first mortgage of Plant & machinery's purchased from this loan and personal guarantee of directors and payable in 84 monthly installment of Rs.3,10,000/- Starting from month of March,2016. | | |
| | ** | | |
| | (ii) The above loan from UBI and it is secured by vehicle only | | |
| | Unsecured | | |
| | (a) Loan from NBFC | | |
| | i) Unsecured Loan from NBFC | 1,888,112 | 2,631,871 |
| | (B) Other Current Liabilities | | |
| | TDS Payable | 1,115,772 | 283,737 |
| | TDS late filing fees payable | 17,600 | 17,600 |
| | Advance from customer | 304,428 | 279,249 |
| | Professional Tax Payable | 199,081 | 325,306 |
| | MLWF Payable | 1,584 | 1,632 |
| | Provident Fund Payable | 150,972 | 294,702 |
| | ESIC Payable | 60,531 | 22,324 |
| | GST RCM Payable | 166,130 | 37,500 |
| | Total Rs. | 8,276,281 | 8,296,308 |

| Note 11 | Short Term Provisions | As at 31 March 2019 | As at 31 March 2018 |
|---------|--|------------------------|------------------------|
| | | Rs. | Rs. |
| | Provision Others | | |
| | (a) Provision for Salary | 1,892,463 | 1,375,507 |
| | (b) Audit Fees Payable | 350,000 | - |
| | (c) Provision For Gratuity (Refer Note 41) | 459,015 | 183,100 |
| | (d) Property Tax Payable | 24,700 | 239,856 |
| | Total Rs. | 2,726,178 | 1,798,463 |

AMBANI ORGANICS LIMITED

N-44, MIDC, Boisar

CIN:- U24220MH1985PLC036774

Note 12

| Sr No. | Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|----------|------------------------------|---------------------------------|------------------------------|--------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | Balance as at 01 April, 2018 | Additions during the year | Delation during the year | Balance as at 31 March 2019 | Balance as at 01 April, 2018 | Depreciatio n For the Year | Depreciation on Disposal | Balance as at 31 March 2019 | Balance as at 31 March 2019 | Balance as at 31 March 2018 |
| A | Tangible Assets | | | | | | | | | | |
| 1 | Freehold Land | 129,020 | 381,720 | - | 510,740 | - | - | - | - | 510,740 | 129,020 |
| 2 | Plant & Machinery | 56,823,524 | 10,646,215 | 1,500,000 | 65,969,739 | 7,111,641 | 3,677,441 | - | 10,789,082 | 55,180,657 | 49,711,882 |
| 3 | Furniture & Fixture | 786,557 | 829,486 | - | 1,616,043 | 230,931 | 68,168 | - | 299,099 | 1,316,944 | 555,626 |
| 4 | Building | 39,497,034 | - | - | 39,497,034 | 5,373,603 | 1,251,315 | - | 6,624,918 | 32,872,116 | 34,123,431 |
| 5 | Electrical Installation | 5,112,239 | 77,071 | - | 5,189,310 | 795,112 | 349,427 | - | 1,144,538 | 4,044,772 | 4,317,127 |
| 6 | Office Equipments | 106,336 | 2,300 | - | 108,636 | 42,170 | 4,504 | - | 46,674 | 61,962 | 64,166 |
| 7 | Motor Car | 5,519,081 | - | - | 5,519,081 | 994,259 | 323,314 | - | 1,317,573 | 4,201,508 | 4,524,822 |
| 8 | Computers | 1,591,680 | 635,836 | - | 2,227,516 | 1,289,756 | 221,342 | - | 1,511,098 | 716,418 | 301,924 |
| 9 | Air Conditioners | 300,972 | 44,531 | - | 345,503 | 157,853 | 45,021 | - | 202,874 | 142,629 | 143,119 |
| 10 | Mobile Phone | 472,751 | 37,257 | - | 510,008 | 279,778 | 55,888 | - | 335,666 | 174,342 | 192,973 |
| 11 | Testing Instrument | 830,944 | 709,165 | - | 1,540,109 | 253,899 | 54,734 | - | 308,633 | 1,231,476 | 577,045 |
| 12 | Scooter | 117,500 | - | - | 117,500 | 24,681 | 11,224 | - | 35,905 | 81,595 | 92,819 |
| 13 | Factory Shed | 19,957,692 | - | - | 19,957,692 | 1,231,765 | 635,457 | - | 1,867,222 | 18,090,470 | 18,725,927 |
| 14 | Xerox Machine | 49,725 | - | - | 49,725 | 47,239 | - | - | 47,239 | 2,486 | 2,486 |
| | Total (A) | 131,295,056 | 13,363,581 | 1,500,000 | 143,158,637 | 17,832,686 | 6,697,834 | - | 24,530,521 | 118,628,116 | 113,462,369 |
| B | Intangible Assets | | | | | | | | | | |
| | Goodwill on Cosolidation | 15,700,723 | - | - | 15,700,723 | - | - | - | - | 15,700,723 | 15,700,723 |
| | Software | 270,000 | - | - | 270,000 | 562 | 51,580 | - | 52,142 | 217,858 | 269,438 |
| | Total (B) | 15,970,723 | - | - | 15,970,723 | 562 | 51,580 | - | 52,142 | 15,918,581 | 15,970,161 |
| C | Capital - WIP | - | - | - | - | - | - | - | - | - | - |
| | Total | 147,265,779 | 13,363,581 | 1,500,000 | 159,129,360 | 17,833,248 | 6,749,414 | - | 24,582,663 | 134,546,697 | 129,432,530 |
| | Previous Year's Total | 128,298,326 | 19,874,953 | 907,500 | 147,265,779 | 11,563,436 | 6,378,652 | 108,840 | 17,833,248 | | 129,432,530 |

AMBANI ORGANICS LIMITED

N-44, MIDC, Boisar

CIN:- U24220MH1985PLC036774

Note 13

| <u>Non Current Investment</u> | As at 31 March 2019 | As at 31 March 2018 |
|--|--------------------------------|--------------------------------|
| | Rs. | Rs. |
| Long term Investments | | |
| Gold Coin | 1,338,814 | 1,646,014 |
| Shares of Tarapur Enviornmental Protection Society | 652,800 | 345,600 |
| Maharastra State Electricity Board Bond | 9,970 | 9,970 |
| Investment in Subsidiary company | | |
| Omega Woven Mills Pvt Ltd | - | - |
| Om Maruti Glasswool & Wirenetting Products Pvt Ltd | - | - |
| Total Rs. | 2,001,584 | 2,001,584 |

Note 14

| <u>Long Term Loans and Advances</u> | As at 31 March 2019 | As at 31 March 2018 |
|--|--------------------------------|--------------------------------|
| | Rs. | Rs. |
| Security Deposits | | |
| Unsecured, considered good | | |
| Other deposits | 1,494,313 | 566,132 |
| Loans & Advances | | |
| Unsecured, considered good | | |
| - To Subsidiary Companies | - | - |
| Total Rs. | 1,494,313 | 566,132 |

Note 15

| <u>Inventories</u> | As at 31 March 2019 | As at 31 March 2018 |
|--|--------------------------------|--------------------------------|
| | Rs. | Rs. |
| (a) Raw Materials and components (Valued at cost) | 96,136,570 | 50,398,556 |
| (b) Finished goods (Valued at cost or market value which ever is less) | 60,379,492 | 37,528,774 |
| (c) WIP | 14,468,095 | 4,561,502 |
| (d) Goods In Transit | - | 11,331,665 |
| Total Rs. | 170,984,157 | 103,820,498 |

Note 16

| <u>Trade Receivables</u> | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Rs. | Rs. | Rs. |
| Sundry Debtors (Unsecured, considered good) | | |
| Debt outstanding for the period exceeding Six Months | 26,766,280 | 23,479,803 |
| Other Debts | 198,737,378 | 160,339,654 |
| Total Rs. | 225,503,658 | 183,819,457 |

Note:- "Debt outstanding for the period exceeding Six Months" includes 2 parties to whom legal notice for recovery of debt amounted to Rs. 3,59,393/- has been initiated in year 2014-15 and for 4 parties amounting Rs. 15,17,051/- initiated in year 2018-19, all are in under dispute till date of signing of Financials.

Note 17

| <u>Cash And Cash Equivalent</u> | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------------|------------------------|------------------------|
| Rs. | Rs. | Rs. |
| Cash & Cash Equivalent | | |
| i) Cash in hand | 1,457,830 | 1,055,726 |
| ii) Balance with Banks | | |
| -Current account with Scheduled Bank | 7,688,606 | 790,434 |
| iii) Fixed Deposit | 16,637 | 15,593 |
| iv) Buyers Credit Margin | 24,715,961 | 5,914,799 |
| Total Rs. | 33,879,034 | 7,776,552 |

Note 18

| <u>Short Term Loans And Advances</u> | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------------|------------------------|------------------------|
| Rs. | Rs. | Rs. |
| Other loans and advances | | |
| Unsecured, Considered Good | | |
| i. Advances Income Tax & TDS | 5,342,685 | 3,660,341 |
| ii. Advances to Employees | 380,512 | 575,167 |
| iii. Others | 200,000 | 200,000 |
| iv. Advances for fixed assets | - | - |
| v. Advance given to Supplier | 91,000 | 91,000 |
| Total Rs. | 6,014,197 | 4,526,508 |

Note 19

| <u>Other Current Assets</u> | As at 31 March 2019 | As at 31 March 2018 |
|-----------------------------|------------------------|------------------------|
| Rs. | Rs. | Rs. |
| Excise Refund Receivable | - | 704,050 |
| Vat Refund Receivable | 5,330,763 | 15,625,472 |
| Service Tax Claimable | 4,396,136 | - |
| Advance given to Supplier | 122,000 | 4,395,322 |
| Earnest Money Deposit (EMD) | 30,259 | - |
| Gratuity Fund | 840,547 | - |
| Advance against Expenses | - | 8,673 |
| Mat Credit Entitlement | 12,165,626 | 7,076,162 |
| Duty Drawback Receivable | 162,332 | 80,629 |
| Prepaid expenses | 635,374 | 1,254,615 |
| GST Credit Receivable | 12,982,453 | 8,578,152 |
| GST Refund Receivable | 2,720,416 | 4,505,694 |
| Total Rs. | 39,385,906 | 42,228,769 |

| | | | |
|---------|-------------------------------|----------------------------|----------------------------|
| Note 20 | Revenue From Operation | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Domestic Sales | 851,430,208 | 644,645,740 |
| | Export Sales | 78,458,480 | 112,506,527 |
| | Total Rs. | 929,888,689 | 757,152,267 |

| | | | |
|---------|---------------------------------|----------------------------|----------------------------|
| Note 21 | Other Operational Income | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Octroi Received | - | 27,503 |
| | Export Incentive | - | 319,708 |
| | Foreign Exchange Gain | 909,948 | 614,068 |
| | Interest Income | 2,404,662 | 827,775 |
| | Discount received | 1,110,145 | 884,165 |
| | Sundry Balance Written Off | 55,299 | - |
| | Other Income | - | 190,198 |
| | Rent Income | - | - |
| | Total Rs. | 4,480,054 | 2,863,417 |

| | | | |
|---------|----------------------------------|----------------------------|----------------------------|
| Note 22 | Cost of Material Consumed | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Opening Stock | 50,398,556 | 41,915,856 |
| | Add : Purchase | 726,534,141 | 583,500,486 |
| | Less : Closing Stock | 96,136,570 | 50,398,556 |
| | Total Rs. | 680,796,127 | 575,017,786 |

| | | | |
|---------|----------------------------------|----------------------------|----------------------------|
| Note 23 | Changes in Inventories | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Closing Stock | | |
| | Finish Goods | 60,379,492 | 37,528,774 |
| | Semi Finish Goods | 14,468,095 | 4,561,502 |
| | Goods in Transit | - | 11,331,665 |
| | | 74,847,587 | 53,421,942 |
| | Opening Stock | | |
| | Finished Goods | 37,528,774 | 18,793,040 |
| | Semi Finish Goods | 4,561,502 | 132,251 |
| | Goods in Transit | 11,331,665 | - |
| | | 42,090,276 | 18,925,291 |
| | Net (Increase) / Decrease | (32,757,311) | (34,496,650) |

| | | | |
|---------|--|----------------------------|----------------------------|
| Note 24 | Employee Benefit Expenses | As at 31 March 2019 | As at 31 March 2018 |
| | | Rs. | Rs. |
| | Salaries & Wages | | |
| | Salaries, PF employer Contribution & Bonus | 22,468,466 | 17,904,584 |
| | Staff Welfare | 985,248 | 707,054 |
| | Wages | - | 563,959 |
| | Director Remuneration | 5,800,000 | 4,846,469 |
| | Gratuity - Refer Note 41 | 436,092 | 1,370,002 |
| | Total Rs. | 29,689,806 | 25,392,068 |

| Note 25 | Financial Cost | As at 31 March 2019 | As at 31 March 2018 |
|---------|---------------------------|------------------------|------------------------|
| | | Rs. | Rs. |
| | Bank Interest | | |
| | Interest Paid to Bank | 21,380,960 | 17,073,797 |
| | Bank Charges | | |
| | Bank Charges | 2,225,571 | 3,681,518 |
| | Loan Processing Charges | 553,166 | |
| | Interest to others | | |
| | Interest on NBFC | 735,127 | 237,800 |
| | Total Rs. | 24,894,824 | 20,993,115 |

| Note 26 | Other Expenses | As at 31 March 2019 | As at 31 March 2018 |
|---------|---|------------------------|------------------------|
| | | Rs. | Rs. |
| | A. Manufacturing & Operating Expenses | | |
| | Power & Fuel (Electricity Charges) | 745,727 | 609,306 |
| | Stores & Spare Consumed | 901,640 | 853,710 |
| | Transport Charges | 13,607,888 | 9,811,904 |
| | Agency Charges | 441,448 | 495,657 |
| | Water Charges | 459,709 | 299,521 |
| | Factory Expenses | 613,362 | 862,667 |
| | Factory Rent | - | - |
| | Packing Expenses | 1,145,910 | 984,979 |
| | Clearing and Forwarding Charges | 3,795,550 | 2,605,300 |
| | Interest Paid to Suppliers | 395,149 | 406,986 |
| | Warehousing Charges | 1,011,218 | 870,517 |
| | Terminal Handling & Vessel Charges | - | 697,708 |
| | Loading and Unloading Exp | 359,526 | - |
| | Total Manufacturing & Operating Expenses | 23,477,125 | 18,498,254 |
| | B. Selling and Distribution Expenses | | |
| | Commission Brokerage | 7,780,436 | 4,965,325 |
| | Business Promotion Expense | 1,470,348 | |
| | Advertisement | 35,000 | 3,024 |
| | Inland Travelling | 181,157 | 225,218 |
| | Discount (Sale) | 2,461,451 | 3,860,878 |
| | Total Selling and Distribution Expenses | 11,928,392 | 9,054,445 |
| | C. General Expenses | | |
| | Miscellaneous Expenses | 19,884 | 1,507,181 |
| | Sundry Balance Written Off | 1,559,689 | - |
| | Interest on payment of statutory dues | 377,653 | 418,161 |
| | Total Genral Expenses | 1,957,225 | 1,925,342 |
| | D. Establishment Expenses | | |
| | Postage & Courier | 403,057 | 280,610 |
| | Professional Charges | 3,650,128 | 2,299,997 |
| | Security Charges | 698,157 | 654,616 |
| | Stationery Expenses | 488,249 | 253,332 |
| | Auditors Remuneration | 380,000 | 179,000 |
| | Repair & Maintanance | 1,716,840 | 1,075,692 |
| | Donation | 5,000 | 26,700 |
| | Membership & Subscription | 51,400 | 125,406 |
| | Office Expenses | 615,851 | 667,928 |
| | Insurance | 1,241,966 | 826,412 |
| | Conveyance Expenses | 233,343 | 680,621 |
| | Telephone and Internet Expenses | 388,871 | 396,214 |
| | Electricity Expenses | 2,539,107 | 2,552,351 |
| | Motor Car Expenses | 107,593 | 264,855 |
| | Rent, Rate & Taxes | 1,058,343 | 448,929 |
| | Lab Expenses | 663,300 | 413,378 |
| | Software Expenses | 139,880 | - |
| | Share Transfer Fees | - | 379,000 |
| | MIDC Charges | 123,644 | - |
| | Vat Expenses | 816,057 | 526,328 |
| | Registration fees | - | - |
| | Research and Development | 345,000 | - |
| | License Fees | 232,210 | - |
| | Sundry Balance W/off | - | 2,000 |
| | Total Establishment Expenses | 15,897,995 | 12,053,369 |
| | Total Rs.(A+B+C+D) | 53,260,737 | 41,531,410 |

Note :- Research and Development Expenditure included in the Statement of Profit & Loss:-

| | | |
|--|------------------|------------------|
| Salaries, PF employer Contribution & Bonus | 4,547,134 | 3,249,500 |
| Rent, Rate & Taxes | 11,000 | 121,000 |
| Lab Expenses | 663,300 | 413,377 |
| Staff Welfare | 95,655 | 83,178 |
| Postage & Telegram | 64,000 | 55,612 |
| Material Cost | 1,117,800 | 810,000 |
| Packing Material | 637,200 | 540,000 |
| Total Rs. | 7,136,089 | 5,272,667 |

Note 27

| Exceptional Items | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|----------------------------|----------------------------|
| | Rs. | Rs. |
| Export Obligation Liability | 3,602,661 | - |
| Profit on Sale of Fixed Assets | - | (108,840) |
| Prior Period Expenses | - | 7,635 |
| Total Rs. | 3,602,661 | (101,205) |

Note 28 Contingent Liabilities:

| Sr. No | Particular | 2018-19 | 2017-18 |
|---------------|--|----------------|----------------|
| (i) | Claims against the company not acknowledged | NIL | NIL |
| (ii) | Commitments, Estimated amount of contracts remaining to be executed on capital | - | - |
| (iii) | TDS default liabilities are showing on TRACES website. | 130,675 | - |

Note: The Income-tax assessment of the Company has been completed up-to assessment year 2017-18, The Company has been demanded to pay a tax liability of Rs. 8,869 & Rs.17,238 for the A.Y. 2011-12 & 2012-13 respectively and same has been not paid.

Note 29 Balances of Sundry Debtors, Sundry Creditors Assets, Loans & Advances and Deposits as on 31/3/2019 either debit or credit are subject to confirmation, reconciliation and adjustments, if any.

Note 30 In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated in the Balance Sheet which would be realized in the ordinary course of business.

Note 31 The Board of Directors has waived off the board Meeting fees.

Note 32 Figures of the previous year have been regrouped / reclassified, wherever necessary to make them comparable with the figures under review.

Note 33 Segment Reporting as per AS-17

- a. The Organization been processor,importer,Supplier and Exporter of Chemical & Dyes used in the Painting and Textile Industry, which have similar risk and returns and also similar market conditions of demand and supply. All other activities of the company revolve around the main business; as such there are inherent natures of these activities are governed by the same set of risk and returns; these have been grouped as a single segment. The company does not have any other reportable as defined under the Accounting Standard 17 (AS-17) for segment reporting.

- b. Geographical Segments as secondary segment:

(Amount In Rs.)

| Particular | 2018-19 | 2017-18 |
|------------------------------------|--------------------|--------------------|
| Exports (Including duties & Taxes) | 78,458,480 | 112,506,527 |
| India (Including duties & Taxes) | 851,430,208 | 644,645,740 |
| Total | 929,888,689 | 757,152,267 |

Note 34 Particulars of Remuneration to Statutory Auditors

(Amount In Rs.)

| Particular | 2018-19 | 2017-18 |
|--------------------------------|----------------|----------------|
| Audit Fees (Excluding Taxes) | 280,000 | 139,000 |
| Tax Audit (Excluding Taxes) | 100,000 | 40,000 |
| Fees for Certification Charges | 74,340 | 5,870 |

Note 35 Details of Component of Raw material consumed

| Particular | 2018-19 | | 2017-18 | |
|-------------------|--------------------|-------------------|--------------------|-------------------|
| | Value | Percentage | Value | Percentage |
| Indigenous | 475,483,854 | 69.84% | 494,476,982 | 85.99% |
| Imported | 205,298,367 | 30.16% | 80,540,804 | 14.01% |
| Total | 680,782,221 | 100.00% | 575,017,786 | 100.00% |

Note 36 Value of Imports and Exports

| Particular | 2018-19 | 2017-18 |
|-------------------------------|----------------|----------------|
| Value of Imports on CIF Basis | 205,298,367 | 86,629,804 |
| Value of Exports on FOB Basis | 78,458,480 | 112,506,527 |

Note 37 Expenditure In Foreign Currency

| Particular | 2018-19 | 2017-18 |
|-------------------|----------------|----------------|
| Commission | 73,730 | 288,673 |

Note 38 Earning Foreign Exchange

| Particular | 2018-19 | 2017-18 |
|-------------------------|----------------|----------------|
| Towards Export of goods | 65,242,990 | 87,554,370 |

Note 39 Disclosure of related parties (As required by AS-18 Related party disclosure)

List of key management personnel:

| Reno. | Name of the Individual | Designation |
|-------|------------------------|---------------------------------------|
| 1 | Mr Rakesh Shah | Key Management |
| 2 | Mrs Apooni Shah | Key Management |
| 3 | Mr Sharad Kothari | Key Management |
| 4 | Mr Aashay R Shah | Relative of Key Management |
| 5 | Mr. Bhavesh Pandya | Chief Financial Officer (CFO) |
| 6 | Mr. Paresh Shah | Chief Executive Officer (CEO) |
| 7 | Mrs. Neha Shah | Wife of Chief Executive Officer (CEO) |

Disclosure of related party transaction (During the year):

(Amount in Rs.)

| Sr.No. | Nature of transaction | Key Management | Relative of Key Management/ Associate | Total |
|--------|---|---------------------------|---------------------------------------|---------------------------|
| 1 | Salary | 7,017,677 (4,846,469) | 1,449,621 - | 8,467,298 (4,846,469) |
| 2 | Unsecured Loan Received | 1,380,418 (11,255,666) | - - | 1,380,418 (11,255,666) |
| 3 | Unsecured Loan Repayment | 2,467,800 (8,976,523) | - - | 2,467,800 (8,976,523) |
| 6 | Equity Share Purchase of subsidiary Company | - (5,600,000) | - - | - (5,600,000) |
| 5 | Sale | - - | - - | - - |

Note- Figure in bracket represents last year data.

Disclosure of outstanding amount at year end:

(Amount in Rs.)

| No | Name | Type of Transaction | Amount |
|----|------------------|-------------------------|-----------|
| 1 | Mrs. Apooni Shah | Unsecured Loan Received | 5,634,776 |

Detail of Salary and interest given to key managerial personnel:

(Amount in Rs.)

| No | Name | Salary | Unsecured Loan Received | Unsecured Loan Repayment |
|------------------|--------------------|------------------|-------------------------|--------------------------|
| 1 | Mr. Rakesh Shah | 4,000,000 | 400,178 | 167,800 |
| 2 | Mrs. Apooni Shah | 1,800,000 | 100,000 | 2,200,000 |
| 3 | Mr. Sharad Kothari | 454,986 | - | - |
| 4 | Mr Aashay R Shah | 1,200,000 | 880,240 | 100,000 |
| 5 | Mr. Bhavesh Pandya | 427,737 | - | - |
| 6 | Mr. Paresh Shah | 334,954 | - | - |
| 7 | Mrs. Neha Shah | 249,621 | - | - |
| Total Rs. | | 8,467,298 | 1,380,418 | 2,467,800 |

Note 40 Deferred Tax

In compliance with the Accounting Standard 22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountant of

Major components of the Deferred Tax Liability/Asset are as follows:-

(Amount in Rs.)

| Particulars | Balance as on April 1, 2018 (DTA) | Arising during the year (P&L) | Balance carried forward (DTA) |
|--|-----------------------------------|-------------------------------|-------------------------------|
| Deferred Tax liability/Asset on account of timing difference in depreciation | (3,092,891) | 6,739,836 | 3,646,945 |
| Total | (3,092,891) | 6,739,836 | 3,646,945 |

Note 41 Discloser as per AS 15 for Gratuity Liability

Defined Contribution Plans Amount of Rs. 691786 (PY Rs. 621275) towards Provident Fund is recognized as an expenses & included in "Salaries, PF employer Contribution & Bonus" in Profit & Loss.

Defined Benefits plan and short term Employee benefits

Gratuity (Defined Benefits Plan)

The Company has a defined benefit gratuity plan. Every Employee who has completed Five years of service get a gratuity on death or resignation or retirement at 15 days of salary (last drawn salary) for each completed year of service. The Gratuity has been provided on the basis of valuation provided by the actuary based on Projected Unit Credit Method.

| Date of Valuation | 01-Mar-19 |
|------------------------|--------------------|
| Number of Member | 85 |
| Average Age | 34 |
| Average Monthly Salary | 9,382 |
| Average Past Service | 4 |
| Mortality Rate | LIC (2006-08) |
| Withdrawal Rate | 1% to 3% depending |
| Discount Rate | 7.5% P.A. |
| Salary Escalation | 4.00% |

Result of Valuation

| | |
|-------------------------------|-----------|
| PV Of Past Service Benefit | 1,573,678 |
| Fund Value as on Renewal Date | 840,547 |
| Current Service Cost | 436,092 |

| Particular | 31st March 2019 |
|----------------------------------|-----------------|
| Gratuity Provision - Non Current | 1,377,047 |
| Gratuity Provision -Current | 459,015 |

Signature to Note No. 1 to 41 forming part of the Balance Sheet and Statement of Profit & Loss.

As per our audit report of even date.

As per our Report of even date
For Shambhu Gupta & Co.
FRN No.:- 007234C
Chartered Accountants

For and on behalf of Board of Directors of
AMBANI ORGANICS LIMITED

sd/-

CA. Rajkumar Khatod
Partner
Membership No. 133612

Place :- Mumbai
Dated :- May 25th, 2019

sd/-

Mr. Paresh Shah
Chief Executive Officer

sd/-

Mr. Rakesh Shah
Managing Director
DIN No. 00503074

sd/-

Mr. Bhavesh Pandya
Chief Financial Officer

sd/-

Mrs. Apooni Shah
Whole Time Director
DIN No. 00503116

sd/-

Ms. Vijanti Sawant
Company Secretary

ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting On 28th day of September, 2019 AT 01.00 P.M. AT N 44 MIDC
Tarapur, Boisar Thane 401506

I hereby record my presence at the Annual General Meeting of the Company held on 28th day of September, 2019 AT 01.00 P.M. at N 44 MIDC Tarapur, Boisar Thane 401506.

Folio No. _____ **DP ID No.** _____

Client ID No. _____

Name of the Member: _____ **Signature:**

Name of the Proxyholder/ Authorised Representative _____ **Signature:**

Note:

1. Only Member/Proxyholder/ Authorised Representative can attend the Meeting.
2. Member/Proxyholder/ Authorised Representative should bring his/her copy of the Notice of the EGM for reference at the Meeting.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____ Folio No./Client ID No. _____ DP ID No. _____

I/We, being the member(s) of _____ Equity Shares of Ambani Organics Limited, hereby appoint:

1. Name: _____ E-mail Id: _____
Address: _____

Signature: _____ or failing him

2. Name: _____ E-mail Id: _____
Address: _____

Signature: _____ or failing him

3. Name: _____ E-mail Id: _____
Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting on 28th day of September, 2019 at 01.00 P.M. AT N 44 MIDC Tarapur, Boisar Thane 401506 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

| Resolution No. | Resolution | For | Against |
|--------------------------|--|------------|----------------|
| Ordinary Business | | | |
| 1 | Adoption of Financial Statements along with Directors and Auditor's Report thereon | | |
| 2 | Re-appointment of Mr. Sharad P Kothari who retires by rotation | | |

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp

Signature of Shareholder _____ Signature of Proxy holder(s) _____

NOTES:

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. **This is only optional. Please put a '✓' in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing proxy does not prevent a member from attending in person if he so wishes.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.