



Corporate Governance Report

(Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited)

ANNEXURE – 'B' - Directors' Report

1) COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The objective of your Company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stake holder value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2) BOARD OF DIRECTORS

(a) Composition

The Company has a combination of Executive and Non-Executive Directors. The Company has an Non-Executive Chairman. The number of Independent Directors is one-third of the total number of Directors, i.e. 3.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(IV)(B)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

The Company's Board at present has 9 Directors comprising one Non-Executive Chairman, one Managing Director, one Executive Director, one Director Corporate Strategy and five Non-Executive Directors.

The number of Independent Directors or the number of Non-Executive Directors is as per the revised clause 49 of the Listing Agreement with the Stock Exchange.

(b) Attendance at Board Meetings and details of Membership of Directors in other Boards & Board Committees.

The Board met six times on the following dates during the financial year 2008-09 and the gap between two meetings did not exceed four months

Date of the Meeting	Total Strength	No. of Directors present
31 May 2008	6	6
20 June 2008	6	2
25 July 2008	6	5
17 September 2008	6	2
27 October 2008	6	4
29 January 2009	6	6



“Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stake holder value.”

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions as held by them in other public limited companies as on 31 March 2009 are given below

Name	Category	No. of Board Meetings Attended during 2008-09	Whether attended AGM held on 27 Sep. 2008	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
					Chairman	Member
Mr. Vinod Saraf (Managing Director)	Promoter, Not-Independent Executive	6	Yes	1	-	-
Mr. Girish M. Dave (Non-Executive Chairman)*	Independent Non-Executive	2	No	7	-	7
Mr. C.B. Gokhale (Director)	Independent Non-Executive	3	No	-	-	-
Mr. A.A. Krishnan (Director)	Independent Non-Executive	4	Yes	1	-	-
Mr. Sunil Saraf (Director)	Promoter, Not-Independent Non -Executive	4	No	1	-	-
Ms. Vinati Saraf Mutreja (Executive Director)	Promoter, Not-Independent Executive	6	No	1	-	-

* He is the Non-Executive Chairman w.e.f. 19 May 2009

(c) Code of Conduct

The Company has laid down a Code of Conduct for all its Board members and Senior Management personnel for avoidance of conflicts of interest. It has received from all of them the necessary declarations affirming compliance with the Code of Conduct for the year 2009. There were no material financial and commercial transactions in which the Senior Management personnel had personal interest, which could lead to a potential conflict of interest with the Company during the year. The Code of Conduct is available on the Company's website.

3) AUDIT COMMITTEE

(a) Constitution

The Audit Committee, which was constituted on 31 January 2001 pursuant to the provisions contained in section 292A of the Companies Act, 1956 was reconstituted as per Clause 49 of Listing Agreement for Corporate Governance on 24 January 2002 and was reconstituted on 20 May 2006. The terms of reference of the Audit Committee as stipulated by the Board are in accordance with all the items listed in Clause 49(II)(D) of the Listing Agreement and Section 292A of the Companies Act, 1956.

(b) Composition

The Audit Committee of the Company as on 31 March 2009 comprised the following 3 Directors of the Company

1. Mr. Girish M. Dave : Independent Director
2. Mr. C.B. Gokhale : Independent Director
3. Mr. A.A. Krishnan : Independent Director

All members of Audit Committee have good exposure to finance as well as general management.

(c) Meetings & Attendances

The Audit Committee met four times on the following dates during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
31 May 2008	3	3
25 July 2008	3	2
27 October 2008	3	2
29 January 2009	3	3

The necessary quorum was present at the meetings.

Mr. G.S. Singhi being the Company Secretary Cum Finance Controller of the Company acts as the Secretary to the Committee.

(d) Terms of reference

The Statutory Auditors, Internal Auditors of the Company and the Cost Auditors are invited to join the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the "Limited Review" of the half-yearly accounts, quarterly accounts, the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's accounts and other related matters. The Committee discusses with the Cost Auditor about his observations in the Annual Cost Audit Reports and allied matters.

4) SHARE TRANSFER COMMITTEE

The Share Transfer Committee was constituted on 25 January 2008 for approving transfers, transmission etc. It comprises of following Directors:

- (i) Mr. Vinod Saraf, Managing Director
- (ii) Ms. Vinati Saraf Mutreja, Executive Director
- (iii) Mr. Sunil Saraf, Director

Mr. G.S. Singhi being the Company Secretary cum Finance Controller of the Company acts as the secretary to the Committee. The Committee met 12 times during the year 2008-09 for approving transfers, transmissions etc. All transfers & transmissions etc. were approved and share certificates were dispatched within 30 days and requests for dematerialisation were confirmed within 21 days.

5) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

The Company has an independent Shareholders' Grievance Committee, which was constituted on 24 January 2002 and reconstituted on 20 May 2006 to look into redressal of investor's complaints and requests like delay in transfer of shares, non-receipt of dividend, annual report, etc.

(b) Composition

The Shareholders'/Investors' Grievance Committee of the Company comprises of the following 3 Directors of the Company

1. Mr. Girish M. Dave : Chairman - Independent Director
2. Mr. Vinod Saraf : Member - Managing Director
3. Ms. Vinati Saraf Mutreja : Member - Executive Director

(c) Meetings & Attendances

The Shareholders'/Investors' Grievance Committee met on the following dates during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
31 March 2009	3	3

A total number of 19 complaints were received and all of which were, redressed by the Company during the year 2008-09.

Mr. G.S. Singhi being the Company Secretary Cum Finance Controller of the Company acts as the Secretary to the Committee.



6) DETAILS OF REMUNERATION PAID/PAYABLE TO THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009.

Managerial Remuneration

Name	Salary & Allowances	Contribution to PF	Amount in Rs.
			Other Perquisites
Mr. Vinod Saraf Managing director	2,500,000	300,000	110,650
Ms. Vinati Saraf Mutreja Executive Director	2,437,500	225,000	87,418
Total	4,937,500	525,000	198,068

7) GENERAL BODY MEETING

Location, date and time of Annual General Meetings held during the last 3 years

Year	Location	Date	Day	Time	Number of Special resolutions passed
17th AGM 2006	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.	23.09.2006	Saturday	03.00 p.m.	Nil
18th AGM 2007	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.	29.09.2007	Saturday	03.00 p.m.	Nil
19th AGM 2008	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.	27.09.2008	Saturday	12.30 p.m.	Nil

None of the special resolutions were put through postal ballot.

8) DISCLOSURES

(a) Related Party Transactions

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management or relatives, which may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in note No. 7(b) of schedule 18 to the Accounts in Annual report.

(b) Statutory Compliance, Penalties and strictures

There have been no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities relating to capital market and listing.

(c) Compliance with mandatory/Non-mandatory requirements

The Company has complied with all the applicable mandatory requirements of the revised Clause 49 of the listing Agreement.

9) MEANS OF COMMUNICATION

The quarterly results, half yearly and annual financial results are published in leading English and Marathi Newspapers.

The financial results, shareholding pattern & code of conduct are displayed on www.sebidifar.nic.in

10) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The discussion on financial performance with respect to the operational performance, review of operations, exports and prospects have been covered in the Management Discussion and Analysis Report.

The Company has adequate internal control system with regard to purchase of stores, raw materials including components, plant & machinery, equipments, sale of goods and other assets. The internal control system is supplemented by well documented policies and guidelines and the internal audit report are periodically reviewed by the top management.

The industrial relations during the year continued to be cordial. The Company is committed to provide necessary human resource development and training opportunities to equip them with the required modern skill and knowledge.

11) COMPLIANCE OFFICER

Mr. Gunvant S. Singhi, Company Secretary Cum Finance Controller is the Compliance Officer.

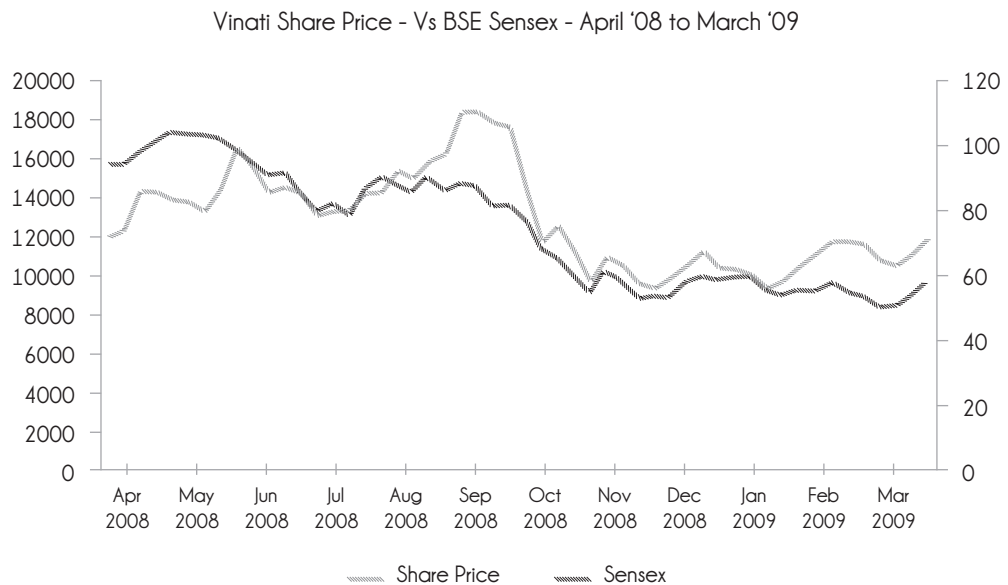
12) GENERAL SHAREHOLDER INFORMATION

(a) Annual General meeting Date and Time Venue	:	19 September 2009 at 12.30 PM. at Regd. Office, at B/12 & B-13/1, MIDC Incl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.
(b) Financial Calendar		
Annual General Meeting	:	19 September 2009
Unaudited results for the quarter ending June 2009	:	4th week of July 2009
Unaudited results for the quarter/half year ending September 30, 2009	:	4th week of October 2009
Unaudited results for the quarter ending December 31, 2009	:	4th week of January 2010
Unaudited results for the quarter ending March 31, 2010	:	4th week of April 2010
Date of book Closure	:	10 September 2009 to 19 September 2009.
Dividend payment date	:	29 September 2009
(c) Listing on Stock exchange	:	The Company's Securities are listed on the following Stock exchange in India Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001, Maharashtra.
(d) Bombay Stock Exchange Limited (Physical Segment)	:	524200
Demat ISIN in NSDL and CDSL for Equity Shares	:	INE410B01011

(e) Market Price Data

Month	Bombay Stock Exchange Ltd. (in Rs.)	
	High	Low
April - 2008	91.50	68.50
May - 2008	105.75	75.30
June - 2008	108.00	77.00
July - 2008	93.30	72.50
August - 2008	108.00	80.85
September - 2008	122.00	82.00
October - 2008	93.00	52.50
November - 2008	69.80	53.00
December - 2008	70.95	54.00
January - 2009	65.35	53.50
February - 2009	75.00	57.85
March - 2009	78.00	50.75

- (f) The performance of the Company's shares relating to the BSE Index for the year 2008-09 is given below



- (g) Share Registrars and Transfer Agents – Sharex Dynamic (India) Pvt. Ltd.

17/B, Dena Bank Bldg, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001. Maharashtra.	Tel	: 2270 2485 / 2264 1376
	Fax	: 2264 1349
	E-mail	: sharexindia@vsnl.com
	Website	: www.sharexindia.com
	Business Hours	: 11.00 a.m. to 1.00 p.m. & 2.00 p.m. to 4.00 p.m. (Monday to Friday)

- (h) Share Transfer System

The Company has appointed Common Agency, name and address of which is given in the report for electronic connectivity and to process share transfer in physical form. The transfers are normally processed and share certificates are dispatched within 30 days from the date of receipt if the documents are complete in all respects. Requests for dematerialization are confirmed within 15 days.

- (i) Distribution of Shareholding as on 31 March 2009.

Category	No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1 To 100		1,594	17.81	98,653	1.00
101 To 200		5,672	63.39	857,182	8.68
201 To 500		1,007	11.25	340,029	3.44
501 To 1,000		401	4.48	294,592	3.01
1,001 To 5,000		215	2.40	432,725	4.38
5,001 To 10,000		26	0.29	188,819	1.91
10,001 To 100,000		22	0.25	686,516	6.95
100,000 & above		11	0.12	6,972,984	70.62
Total		8,948	100.00	9,874,500	100.00

(j) Categories of shareholders as on 31 March 2009.

Category	No. of share holders	Voting strength (%)	No. of Ordinary shares
Individuals	8,769	24.04	2,374,239
Promoters	21	72.79	7,187,222
Other Companies	123	3.07	303,483
Non-Resident Individuals	29	0.06	5,656
Nationalized Banks, Mutual funds and trusts	6	0.04	3,900
Total	8,948	100.00	9,874,500

(k) Dematerialization of shares and liquidity

2,711,584 (Total shares demated with NSDL is 1,901,635 & CDSL is 809,949) of the Company's share capital is dematerialized as on 31.03.2009. The Company's shares are regularly traded on the Bombay Stock Exchange Limited as indicated in the Table containing market information.

(l) Address of Registered Office

B/12 & B-13/1, MIDC Industrial Area,
Mahad - 402 309,
Dist. Raigad, Maharashtra.

(m) Address of Plant Locations

Mahad Works
B/12 & B-13/1, MIDC Industrial Area,
Mahad - 402 309, Dist. Raigad, Maharashtra.

Lote Works
A-20, MIDC, Lote - Parashuram - 415 722,
Taluka - Khed, Dist. Ratnagiri, Maharashtra.

(n) Investor's Correspondence Address

Mr. Gunvant s. Singhi
Shiv - Ashish, 2nd Floor,
Andheri - Kurla Road, Sakinaka, Mumbai - 400 072.

Declaration

I, Vinod Saraf, Managing Director of Vinati Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31 March 2009.

I confirm that the Company has in respect of the said financial year, received from the senior management team and the members of the board of the Company a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, senior management team means the Chief Financial Officer, Chief Operating Officer, Executive President and the Company Secretary as on 31 March 2009.

On behalf of the Board of Directors

Vinod Saraf
Managing Director

Place : Mumbai
Date : 19 May 2009



ANNEXURE – 'C' - Directors' Report

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
VINATI ORGANICS LIMITED

We have examined the compliance of conditions of Corporate Governance by VINATI ORGANICS LIMITED, for the year ended on 31 March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants

Shashikant Gupta
Partner
Membership No. 45629

Place : Mumbai
Date : 19 May 2009

192, Dr. D. N. Road,
Mumbai 400 001

ANNEXURE – 'D' - Directors' Report

Statement of particulars of employees pursuant to Section 217 (2a) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 1975 and forming part of the Directors' Report for the year ending March 31, 2009 employed for whole of the year.

Name	Designation & nature of duties (as at March 31, 2009)	Age (Yrs.)	Date of Joining	Experience	Gross Remuneration received (Rs.)	Previous employer	Designation
1 Mr. Vinod B. Saraf	Managing Director	59	15.06.1989	36	29,10,650/-	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2 Ms. Vinati Saraf Mutreja	Executive Director	25	20.05.2006	4	27,49,918/-	Mercer Oliver Wyman	Consultant