



VINATI ORGANICS LIMITED

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CIN: L24116MH1989PLC052224, Email: vinati@vinatiorganics.com, Website: www.vinatiorganics.com

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 and Section 108 of the Companies Act, 2013 read with the Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("**Companies Act**"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (hereinafter the "Rules") (including any statutory modification or re-enactment thereof, for the time being in force), Secretarial Standard on General Meetings ("**SS-2**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable laws and regulations, that it is proposed to seek the consent of the members ("**Members**") of Vinati Organics Limited ("**Company**"), for the resolutions appended below, through postal ballot using Postal Ballot Form and remote electronic voting ("**E-voting**").

An Explanatory Statement pursuant to Section 102 of the Act and other applicable provisions of the Act, pertaining to the resolution setting out the material facts and the reasons thereof, is appended along with a postal ballot form ("Postal Ballot Form"). Pursuant to Rule 22(5) of the Rules, the Board of Directors of your Company, at its meeting held on 12th November, 2019, has appointed Mr. Vijay Kumar Mishra (Membership No. FCS 5023) Proprietor of M/s. VKM & Associates, Practicing Company Secretaries, as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

The Members are requested to carefully read the instructions indicated in the Notice and printed overleaf of the Postal Ballot Form and record their assent (for) or dissent (against) in the Postal Ballot Form and return the same, in original duly completed and signed, in the enclosed postage prepaid self-addressed business reply envelope, so as to reach the Scrutinizer, on or before 5.00 p.m. (IST) on Wednesday, December 25, 2019. Postal Ballot Forms received after that date will be strictly treated as if a reply from such Member has not been received.

In compliance with the provision of Sections 108 and 110 of the Act, read with Rules 20 and 22 of the Rules and Regulation 44 of the SEBI Listing Regulations, the Company is also offering facility of e-voting to all its Members to enable them to cast their votes electronically. The Company has engaged the services of CDSL to provide e-voting facility. Members are requested to follow the procedure as stated in the Notes and printed overleaf of the Postal Ballot Form for casting of votes by e-voting.

Upon completion of the scrutiny of the Postal Ballot Forms and votes cast through e-voting in a fair and transparent manner, the Scrutinizer will submit his report to the Chairman or any person authorized by him. The results of the Postal Ballot will be announced not later than 48 hours of conclusion of the voting through Postal Ballot. The said results would be displayed at the Registered / Corporate Office of the Company, intimated to the National Stock Exchange of India Limited and BSE Limited where the shares of the Company are listed. Additionally, the results will also be uploaded on the Company's website www.vinatiorganics.com and on the website of Central Depository Services (India) Limited (CDSL) www.evotingindia.com.

SPECIAL BUSINESS

Item No.1

To consider the **sub-division of one Equity Share of face value of Rs.2/- each into two Equity Shares of face value of Re.1/- each**, and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 61, 64, and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, modifications, variations or re-enactments thereof from time to time) and the provisions of Memorandum and Articles of Association of the Company and subject to the approvals/ consents/ permissions/ sanctions as may be necessary from the concerned Regulatory / Statutory Authority(ies), 1 (One) Equity Share of the Company having face value of Rs.2/- each fully paid up be sub-divided into 2 (Two) Equity Shares of face value of Re.1/- each fully paid up;

RESOLVED FURTHER THAT on sub-division, 2 (Two) Equity Shares of face value of Re.1/- each be allotted in lieu of existing 1 (One) Equity Share of face value Rs.2/- each subject to the terms of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid Equity Shares of Rs.2/- each of the Company and shall be entitled to participate in full in dividends to be declared after the allotment of the sub-divided Equity Shares;

RESOLVED FURTHER THAT upon the sub-division of Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of the face value of Rs.2/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing share certificate(s), issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) subject to

the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in case of Equity Shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Members with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division;

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression also includes a Committee thereof), be authorized to fix the Record Date and to issue new share certificates in lieu of the existing share certificates pursuant to the sub-division as above, and take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

Item No.2

To consider **alteration of the Capital Clause of Memorandum of Association (“MOA”)** and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Companies Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, modifications, variations or re-enactments thereof from time to time) and subject to such approvals as may be necessary, the existing Clause V of the Memorandum of Association of the Company relating to the Authorized Share Capital be substituted with the following Clause: ‘V.

“Clause: ‘V’: The Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided in to 15,00,00,000 (Fifteen Crores) equity shares of the face value of Re.1/- (Rupee One only) each with power to increase or reduce including by way of buy-back or in accordance with the provisions of the Companies Act, 2013 read with the relevant Companies Rules made thereunder for the time being in force in this behalf and the powers to divide the shares in the capital for the time being into other classes and to attach there to respectively such preferential, qualified or differential or special rights, privileges or conditions as may be determined and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided in the Act.”

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or officer of the Company as may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

Item No.3

To consider **alteration of the Articles of Association (“AOA”)** and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 14, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof from time to time), the existing Article No.6 of the Articles of Association of the Company be and is hereby substituted as follows;

“6. The Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided in to 15,00,00,000 (Fifteen Crores) equity shares of the face value of Re.1/- (Rupee One only) each with power to increase or reduce including by way of buy-back or in accordance with the provisions of the Companies Act, 2013 read with the relevant Companies Rules made thereunder for the time being in force in this behalf and the powers to divide the shares in the capital for the time being into other classes and to attach there to respectively such preferential, qualified or differential or special rights, privileges or conditions as may be determined and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided in the Act.”

RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or officer of the Company as may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

Item No.4

To consider and approve **‘VOL Employee Stock Option Plan 2019’** and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members’ of the Company be and is hereby accorded to the introduction and implementation of **‘VOL Employee Stock Option Plan 2019’** (“ESOP 2019”/ “Plan”) and authorizing the Board of Directors of the Company (*hereinafter*

referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to create, and grant from time to time, in one or more tranches, not exceeding 1,00,000 (One Lakh) employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company within the meaning of ESOP 2019, including any director, whether whole time or otherwise (other than promoters and promoter group of the Company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under ESOP 2019, exercisable into not more than 1,00,000 (One Lakh) equity shares of face value of Rs.2/- (Rupees Two) each fully paid-up, where One equity share of face value of Rs.2/- each will be issued and allotted as fully paid up against each one stock option upon exercise, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2019".

"RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2019 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under ESOP 2019 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2019."

"RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2019 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service center and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2019 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

**By order of the Board
For Vinati Organics Limited**

**Milind Wagh
Company Secretary
Membership No.: FCS 7125**

Date: 12th November, 2019

Place: Mumbai,

Registered office:

B-12 & B-13/1, MIDC Indl. Area, Mahad-402309,

Dist. Raigad, Maharashtra, India,

CIN: L24116MH1989PLC052224

Tel: +91-22-61240444/28; Fax: +91-22-61240438

E-mail: shares@vinatiorganics.com; website: www.vinatiorganics.com

Notes:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to the special business at item No.1 to 4 mentioned in the above Notice is annexed hereto.
2. This Notice along with the Postal Ballot Form is being sent by electronic mode to those Members, whose e-mail addresses are registered with the Company/ Depositories, unless any Member has registered for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent to them by the permitted mode. Members may note that this Notice will be available on the Company's website, www.vinatiorganics.com and on the website of Central Depository Services (India) Limited (CDSL) www.evotingindia.com.

3. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Tuesday, November 19, 2019 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by Postal Ballot or e-voting.
4. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to facilitate voting through electronic means ("e-voting facility") facility to the Members, to enable them to cast their votes electronically. The Company has engaged the services of CDSL to provide e-voting facility to its Members.
5. Members can opt for only one mode of voting i.e. either Postal Ballot Form or e-voting. In case any Member cast his votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.
6. The Resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Form or e-voting i.e. Wednesday, December 25, 2019.
7. A member cannot exercise his vote by proxy on Postal Ballot.
8. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the said Form duly completed and signed, in the enclosed postage prepaid self-addressed business reply envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than by 5.00 p.m. (IST) on Wednesday, December 25, 2019. The postage will be borne by the Company. However, envelopes containing Postal Ballot Forms, if sent by courier or registered / speed post or deposited personally at the address given on the self-addressed Business Reply Envelope, at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 p.m. (IST) on Wednesday, December 25, 2019, it will be considered that no reply from the Member has been received. Additionally, please note that the Postal Ballot Forms shall be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member, and/ or (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member, and/ or (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/ or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his vote.
9. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through Physical Form may download the Postal Ballot Form attached in the e-mail or from the Company's website www.vinatiorganics.com and send the duly completed and signed Postal Ballot Form to the Scrutinizer so as to reach on or before 5.00 p.m. (IST) Wednesday, December 25, 2019.
10. In case a Member is desirous of obtaining duplicate Postal Ballot Form, the Member may write to the Company at its corporate office or download the Postal Ballot Form from the Company's website, www.vinatiorganics.com.
11. In the event of any grievance relating to E-voting, the Members / Beneficial Owners may contact the following: Mr. Rakesh Dalvi CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai 400 013., e-mail: helpdesk.evoting@cdslindia.com, Helpdesk: 1800 22 5533.
12. The Scrutinizer will submit his report to the Chairman or Company Secretary after completion of the scrutiny and the result of the Postal Ballot will be announced on or before 27th December, 2019 at 3.00 p.m. at the Corporate Office of the Company. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Company's website www.vinatiorganics.com and shall be communicated to the Stock Exchanges where the Company's equity shares are listed.
13. The results of the Postal Ballot will also be announced through newspaper advertisement and communicated to the Stock Exchanges where the Company's equity shares are listed.
14. All the material documents referred to in the explanatory statement are available for inspection at the registered office of the Company on any of the working days, except Saturday, Sunday and public holiday(s), between 9:00 a.m. (IST) to 5:00 p.m. (IST) from the date of dispatch of notice till Wednesday, December 25, 2019.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26.11.2019 at 9.00 a.m. and ends on 25.12.2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19.11.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF & NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT
Pursuant to Section 102 (1) and 110 of the Companies Act, 2013 (“Act”)

Item No. 1:

Sub-division of one Equity Share of face value of Rs.2/- each into two Equity Shares of face value of Re.1/- each:

Presently, the face value of the Company's Equity Shares is Rs.2/- each. Owing to the Company's strong financial performance and sound asset quality, the market price of the Company's Equity Shares has grown steadily over the past several years. In order to augment the affordability of the Company's Equity Shares and participation of the retail / individual investors and thereby facilitate more liquidity of the Company's Equity Shares, the Board of Directors at its meeting held on November 12, 2019 has approved the sub-division (stock split) of One Equity Share of the face value of Rs.2/- each into 2 (Two) Equity Shares of the face value of Re.1/- each, subject to the approval of shareholders and all concerned Regulatory / Statutory Authority(ies).

The Record Date for the aforesaid sub-division of Equity Shares will be fixed by the Board after the approval of the shareholders is obtained.

The Board of Directors recommends the special resolution set out at Item No. 1 of the accompanying notice for the approval of the members in the interest of the Company.

The Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the sub-division of the Equity Shares to the extent of their shareholding, if any, in the Company.

Item Nos. 2 & 3:

Alteration of the Capital Clause of Memorandum of Association (“MOA”) and Articles of Association (AOA):

Presently, the Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crore only) divided into 7,50,00,000 Equity Shares of the face value of Rs.2/- each. The sub-division of Equity Shares as proposed in the item No.1 of this Notice would require consequential amendment in the existing Clause V and Article 6 of the Memorandum of Association and Articles of Association of the Company, respectively. The Authorized Capital will consist of Rs.15,00,00,000 (Rupees Fifteen Crore only) divided into 15,00,00,000 Equity Shares of the face value Re.1/- each.

A draft of an amended Memorandum and Articles of Association of the Company is available for inspection at the Registered Office of the Company between 9.00 a.m. and 5.00 p.m. on any of the working days up to the last date of receipt of duly filled and signed Postal Ballot Form i.e. December 25, 2019

The Board of Directors of the Company accordingly, recommends an ordinary resolution and special resolution set out at item nos. 2 & 3 respectively for approval by the members in the interest of the Company.

The Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the respective Resolutions no. 2 & 3 to the extent of their shareholding, if any, in the Company.

ITEM NO. 4:

‘VOL Employee Stock Option Plan 2019’ (“ESOP 2019”/ “Plan”)

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your the Company. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock option plan namely ‘VOL Employee Stock Option Plan 2019’ (“ESOP 2019”/ “Plan”) seeking to cover eligible employees of the Company.

Accordingly, the Nomination and Remuneration Committee of the Directors (“Committee”) and the Board of Directors of the Company at their respective meetings held on November 12, 2019 had approved the introduction of ESOP 2019, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), the Company seeks your approval as regards implementation of the Plan and grant of options thereunder to the eligible employees of the Company, as decided from time to time as per provisions of the Plan read with provisions of SEBI SBEB Regulations.

The main features of the ESOP 2019 are as under:

A. Brief Description of the Plan:

Keeping view the aforesaid objectives, the ESOP 2019 contemplates grant of options to the eligible employees of the Company. After vesting of options, the eligible employees earn a right, but not obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall act as Compensation Committee for the administration of ESOP 2019. All questions of interpretation of the ESOP 2019 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2019.

B. Total number of options to be granted:

The total number of options to be granted under the ESOP 2019 shall not exceed 1,00,000 (One Lakh). One equity share of face value of Rs.2/- each will be issued and allotted as fully paid up against each one stock option upon exercise.

Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the ESOP 2019 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 1,00,000 (One Lakh), shall be deemed to be increased to the extent of such additional options issued.

C. Identification of classes of employees entitled to participate in the ESOP 2019:

All permanent employees and Directors (hereinafter referred to as "Employees") of the Company shall be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

- i. a permanent employee of the Company who has been working in India or outside India;
- ii. a director of the Company, whether a whole-time director or not but excluding an independent director;

but does not include—

- (i) an employee who is a Promoter or belongs to the Promoter Group; and
- (ii) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.

D. Requirements of Vesting and period of Vesting:

Options granted under ESOP 2019 shall vest not earlier than minimum period of **1 (one) year** and not later than maximum period of **4 (four) years** from the date of Grant.

The vesting dates in respect of the options granted under the ESOP 2019 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of options to be vested.

Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

E. Maximum period within which the options shall be vested:

All the options granted on any date shall vest not later than maximum period of **4 (four) years** from the date of Grant as stated above.

F. Exercise price or pricing formula:

The Exercise Price shall be determined by the Committee at its sole discretion which shall not be less than the face value of the Share as on date of Grant of such Option.

G. Exercise period and the process of exercise:

The exercise period would commence from the date of vesting and will expire on completion **1 (Year)** years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested option shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.

H. Appraisal process for determining the eligibility of employees under the ESOP 2019:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

I. Maximum number of options to be issued per employee and in aggregate:

The maximum number of options that may be granted to any specific employee of the Company per employee and in aggregate under the ESOP 2019 shall not exceed 3000 Number options.

J. Maximum quantum of benefits to be provided per employee under the ESOP 2019:

Apart from grant of options as stated above, no monetary benefits are contemplated under the ESOP 2019.

K. Route of ESOP 2019 implementation:

The ESOP 2019 shall be implemented and administered directly by the Company.

L. Source of acquisition of shares under ESOP 2019:

The ESOP 2019 contemplates issue of fresh/ primary shares by the Company.

M. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the present ESOP 2019.

N. Maximum percentage of secondary acquisition:

This is not relevant under the present ESOP 2019.

O. Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing guidance note or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

P. Method of option valuation:

The Company shall adopt 'fair value method' for valuation of options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.

Q. Declaration:

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESOP 2019 is available for inspection by the Member(s) during business hours (9:00 a.m. to 5:00 p.m.) of all working days up to the date of December 25, 2019 at the registered office of the Company.

The Board recommends the special resolution as set out in item no 4 of this notice for the Members approval.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted options under the ESOP 2019.

**By order of the Board
For Vinati Organics Limited**

**Milind Wagh
Company Secretary
Membership No.: FCS 7125**

Date: 12th November, 2019

Place: Mumbai,

Registered office:

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