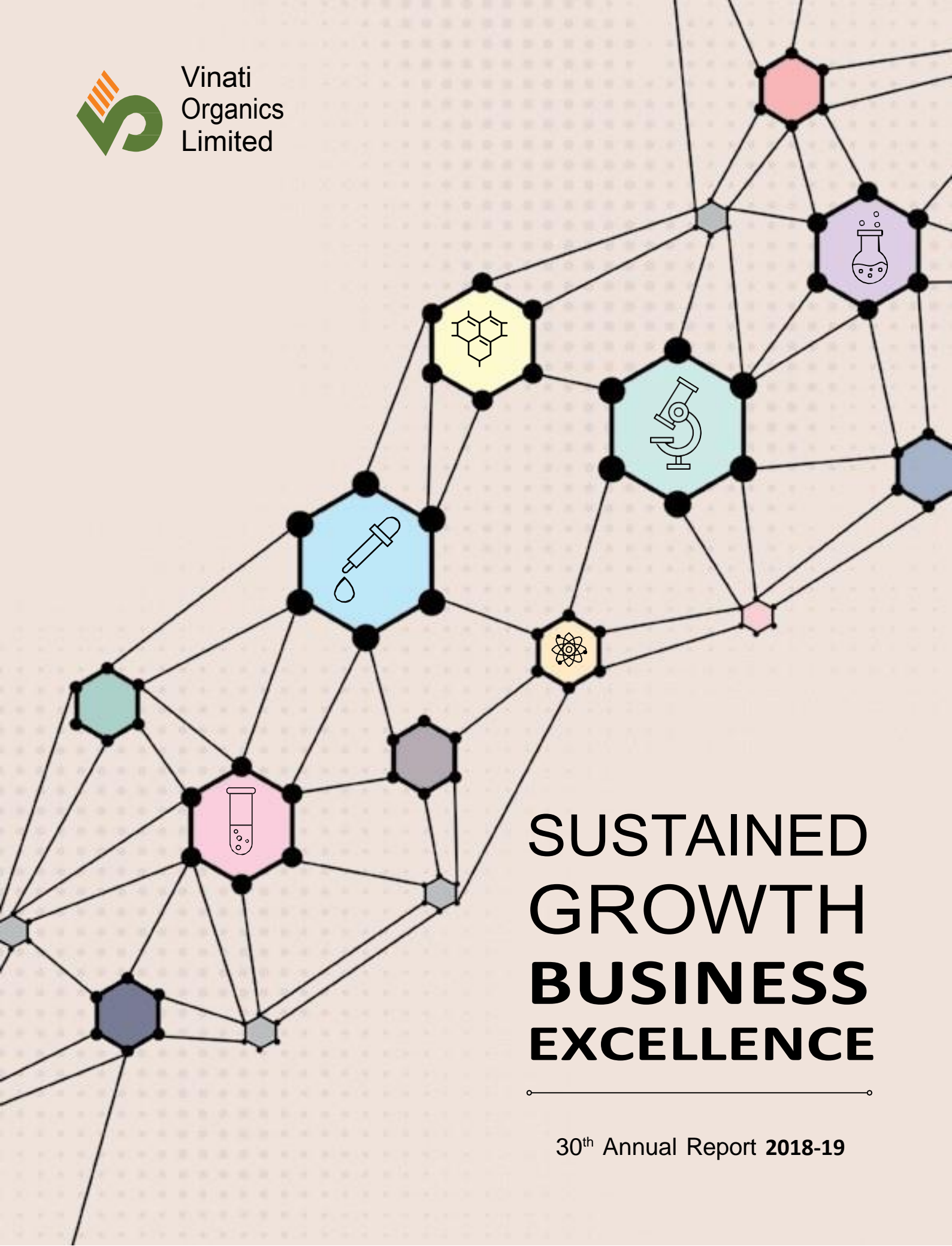




Vinati  
Organics  
Limited



# SUSTAINED GROWTH BUSINESS EXCELLENCE

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30<sup>th</sup> Annual Report 2018-19

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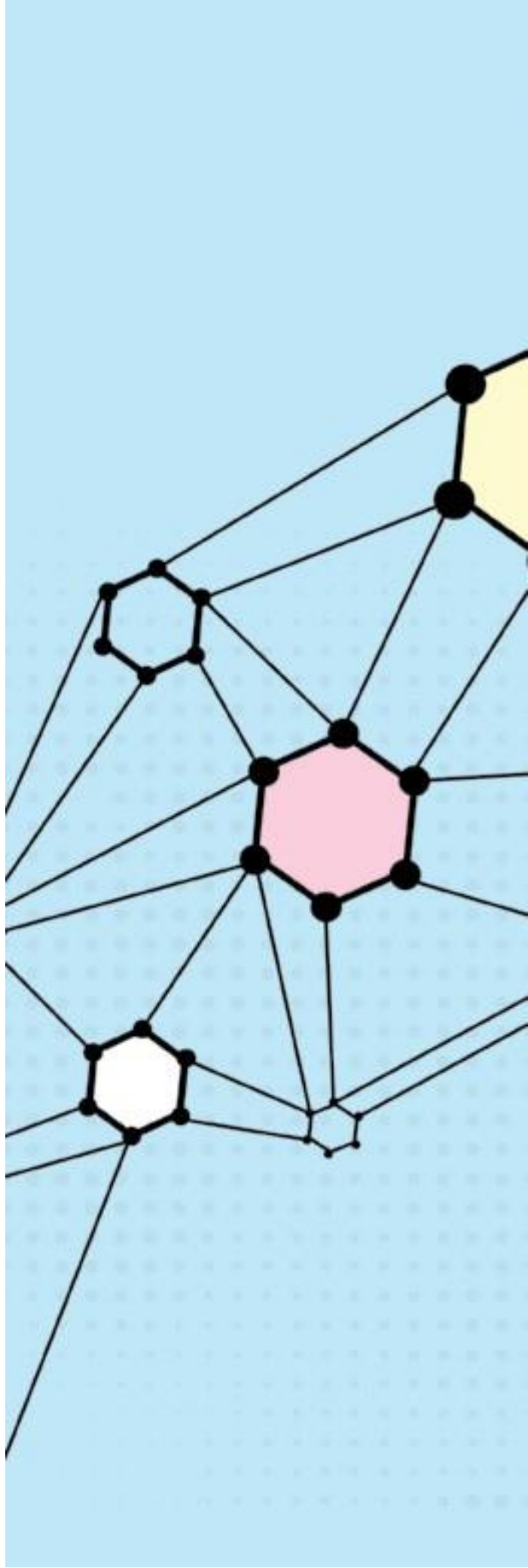
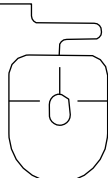
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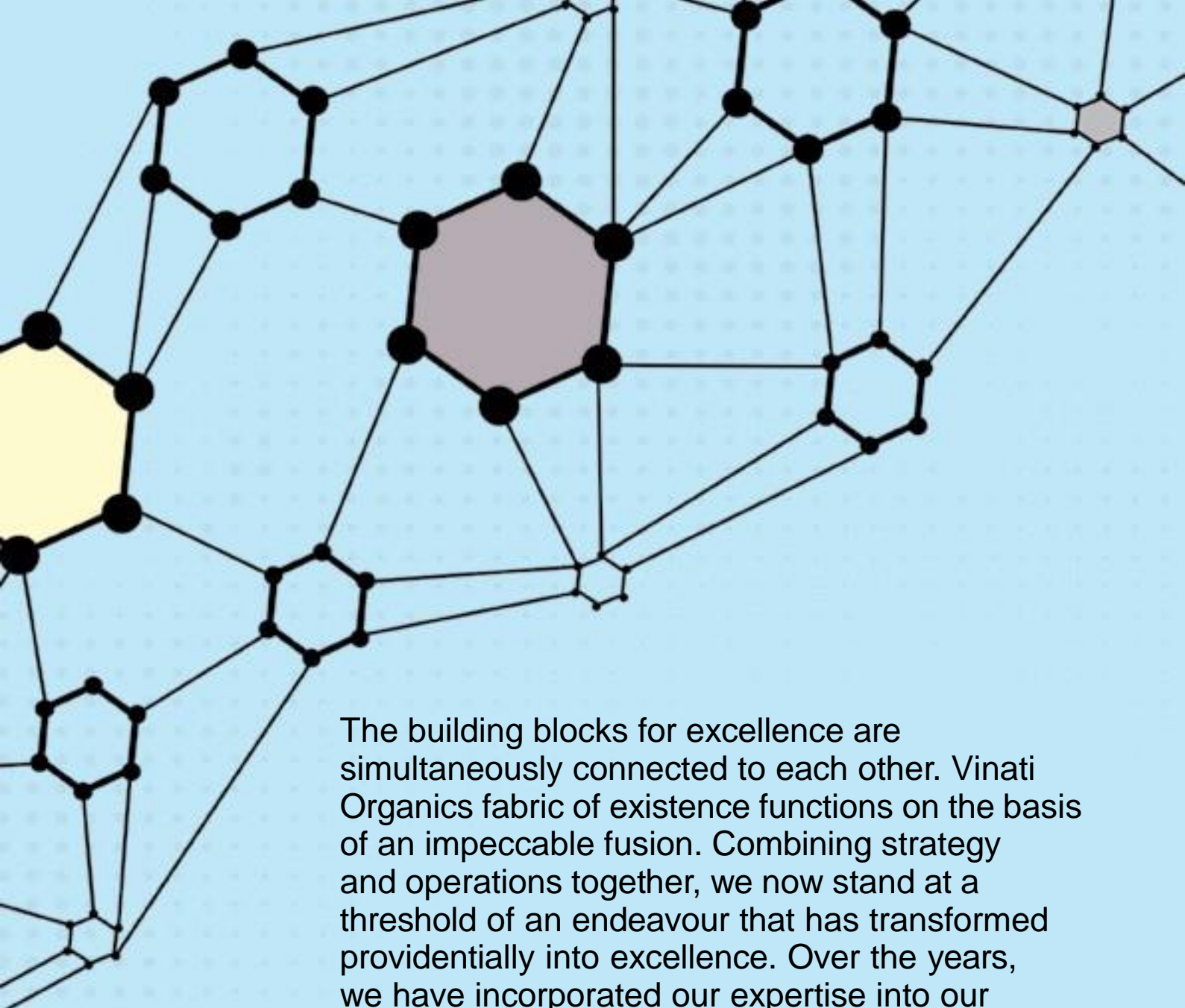
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For the online version of this report or  
any other information please log on to  
[www.vinatiorganics.com](http://www.vinatiorganics.com)





The building blocks for excellence are simultaneously connected to each other. Vinati Organics fabric of existence functions on the basis of an impeccable fusion. Combining strategy and operations together, we now stand at a threshold of an endeavour that has transformed providentially into excellence. Over the years, we have incorporated our expertise into our manufacturing processes and product offerings, thereby creating for ourselves a name that our customers believe in.

Emerging as a true global leader with a tremendous presence spanning across boundaries, Vinati has triumphantly achieved sustained growth in its near three decades of existence.

We have always believed that excellence starts by aiming at it and it is this that has always motivated us to broaden and diversify our horizons and explore new frontiers of success and growth.

# Vinati at a Glance

**A leading manufacturer of specialty chemical products, Vinati Organics Limited (VOL), has grown to become world's largest manufacturer of IBB and ATBS.**

At Vinati, we blend innovation with chemistry to deliver value-added products to our customers. Beginning our journey with a single product, we successfully developed an integrated business model to widen our product portfolio. Today we are the largest producers of IBB and ATBS with a market share of 65%. We operate with two plants at Maharashtra, certified with global benchmarks ensuring compliance to health, safety and environment standards. We have our market presence spread across in over 35 countries in the world with our products being exported to customers across US, Europe and Asia.



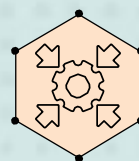
## Our Vision

To be the global leader in manufacturing niche speciality products adopting eco-friendly technologies.



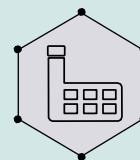
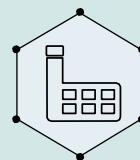
## Our Mission

Our aim is to emerge as a globally competitive organization for all our products in terms of cost and quality.



## Manufacturing facilities

VOL is the largest producer of IBB and ATBS in the world and a leading manufacturer of IB & HP-MTBE in India. We possess two manufacturing facilities with integrated B2B business model in Maharashtra using cutting edge technologies to derive maximum operational efficiencies. We also comply with green practices in order to mitigate adverse impact on the environment.



	PLANT 1	PLANT 2
Location	Mahad - Raigad	Lote - Ratnagiri
Products made	IBB, NBB and customized products	ATBS, NaATBS, TBA, IB, HP MTBE, PTBBA



~19%

CAGR of revenues in  
last 10 years

~27%

CAGR of net profit in  
last 10 years

119x

Growth in shareholder  
wealth in last 10 yearsJ275+ crores\*  
PATJ1000+ crores\*  
Revenues in FY2019J450+ crores\*  
EBIDTA

\*Achieved these milestone figures for the first time in VOL's corporate history



Ms. Vinati Saraf Mutreja was awarded The Outstanding Woman Business Leader of the Year by The Economic Times Family Business Awards 2019

Ms. Vinati Saraf Mutreja was featured by Forbes India in its "W-Power Trailblazers 2019" list



## Leadership

Mr. Vinod Saraf appointed as Chairman & Ms. Vinati Saraf Mutreja appointed as Managing Director & CEO

# Message from the Corner Office



## Dear Shareholders,

We are happy to report that FY2019 was a milestone year for Vinati Organics as it continued to deliver strong results despite bleak macro-economic environment. Today, we are a leading speciality chemical company with presence in over 35 countries across the world.

In 2018-19, we delivered a net income of H1 158 crores and EBITDA of H454 crores. Our operating income rose by H366 crores over previous fiscal to H1 108 crores.

ROE for the year was 27% as against 18% in the previous year. Further, all our product streams demonstrated a robust performance. Our net profit grew by 96% from H1 44 crores in FY18 to H282 crores in FY19.

The financial performance is a reflection of our focus and commitment to provide innovative solutions to our customers. In an evolving industrial landscape, our commitment towards producing innovative products through green-chemistry, positions us differently. As a global market leader in key products, Vinati Organics continued to sustain and grow its market share backed by our integrated business model and wide product portfolio.

In terms of product performance, our major product ATBS contributed to more than 50% of our revenue mix. The exit by one of our key competitors, Lubrizol, further aided the growth of market share. ATBS revenue grew by 69% in FY19 as against FY18 and we also increased our global market share in ATBS from 45% to 65% during FY19.

In our second biggest product IBB, we could only achieve a higher single digit growth in volume on account of a client's capacity shutdown for brownfield expansion. But with expansion in capacity



The financial performance is a reflection of our focus and commitment to provide innovative solutions to our customers. In an evolving industrial landscape, our commitment towards producing innovative products through green-chemistry, positions us differently.



and rising demand for IBB worldwide, we expect a robust double digit volume growth in FY2020.

Besides this, our third largest product Isobutylene and HP MTBE continued to post consistent growth and the customised products which were launched in the last couple of years also stood up to our expectations, delivering a robust performance.

As regard to crude prices, one of the key determinants of our operational cost, we arrived at formula-based pricing contract with our customers. This helped us prevent margin erosions with volatility in crude prices and deliver value to our customers as well.

With sustaining growth as our business strategy, we are working towards bolstering our capacity to innovate and serve our customers more effectively. As a result, we will increase our ATBS capacity from 26000 tonnes per annum to 40000 tonnes per annum resulting in a capex of H110 crore. It is expected to be operational by Q2FY20. Further, our Butyl Phenols project is expected to commission by Q2FY20. With both these projects coming on stream in FY20, we are aiming for doubling our revenues over the next three years.

We continue to invest in new chemistries and processes to develop new products, on the foundation of eco-friendly process. With a high degree of competitive edge and significantly low risk to entry barrier of new entrant, we remain on track to achieve the targets set forth in the coming fiscal.

In closing, we would like to thank our Board of Directors, the management team, and all our employees for their untiring commitment and dedication to serving our customers. Our Board members remained engaged across a variety of governance committees throughout the year and our employees and executive teams continue to work tirelessly to improve our set benchmarks for innovation and quality. We would also like to thank our customers and business partners for their continued trust in our company to create value in the coming years.

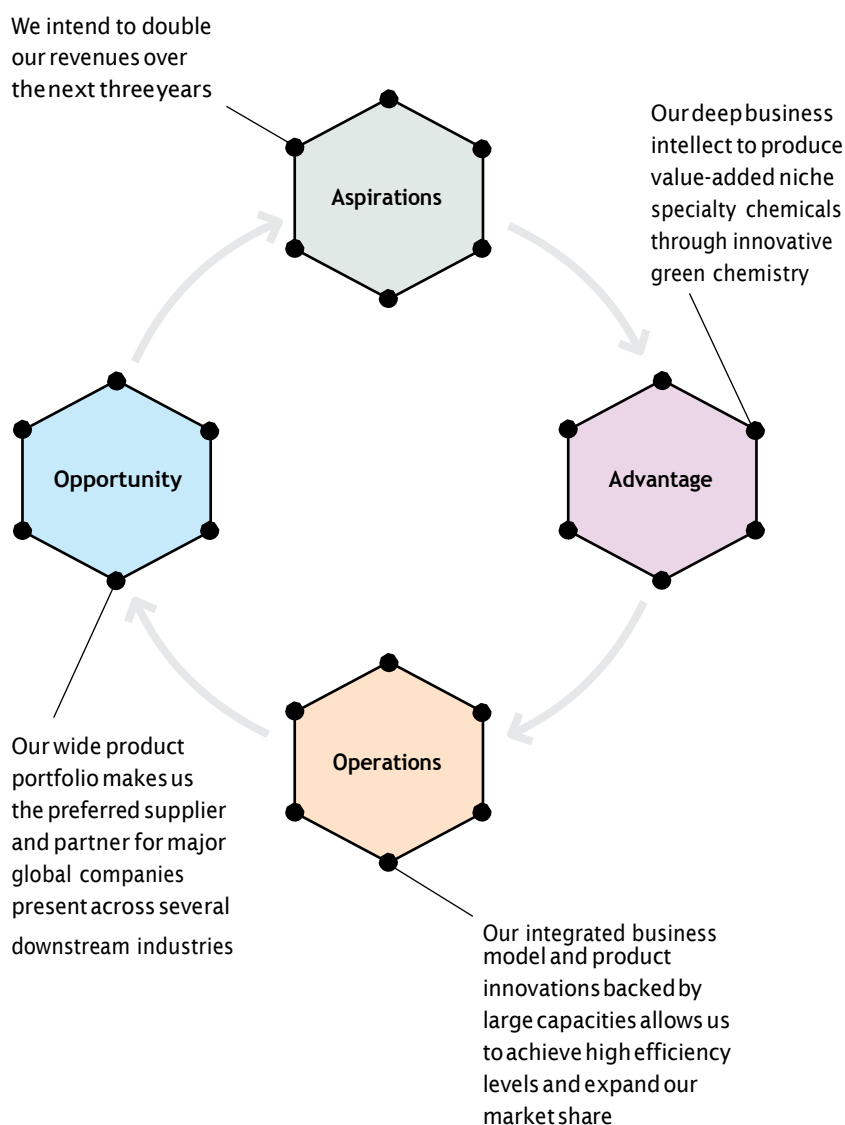
**Vinod Saraf**  
Chairman

**Vinati Saraf Mutreja**  
Managing Director & CEO

# Delivering on Our Strategy with Excellence

Pursuing long-term value creation, we strive continuously to enhance our productivity and efficiency levels, investing consistently in our capacities and technologies. As a part of our long-term strategy, we are focused on building a strong foundation with an integrated business model, driven by investment, innovation and delivering customer satisfaction.

## Business strategy



## Business excellence

### Cost Efficiency

We continuously improve our control effectiveness, efficiency and operational processes through periodic control reviews and review of critical revenue-impacting processes.

**39%**

EBIDTA margin in FY19  
(up from 29% in FY18)

### Research & Development

Focus on research-led conversion of generic raw materials into value-added niche specialty chemicals leading to material substitution, process improvement & improved productivity

**100+ Crores**

Sales in FY19 from products launched in last 3 years

### Scale

We are market leaders in the industry we operate backed by our large manufacturing capacities. Our extended capacities across our product portfolio makes us the front runner to capitalise on increasing demands for our products across the globe.

**65%**

Market share captured of IBB & ATBS





#### Renowned Global Customers

We have several large customers, whose trust in us remains intact due to our qualitative products.

## 75%

Revenue derived in FY19 from customers associated with us for more than 5 years



#### Product Portfolio

With a robust portfolio of speciality chemical business, we work towards delivering innovative products to our consumers while maintaining a commitment to safety and sustainability.

## 8

new products launched in last 3 years & 4 more to be added in FY20



#### Integrated Business Model

We remain focused on capitalising on the synergies through our integrated business model that helps us maintain the quality levels and derive economies of scale.

## 5x

Increase in gross block since 2010



#### Green Chemistry

Our processes comply with environmental standards and result in zero-effluent discharge. These efficiencies have helped us be relevant to our customers and achieve our socio-economic goals.

## Zero

Waste discharge from manufacturing facilities

# Our Product Offering

We believe in the power of chemistry to make the world a better place. By driving our performance for customers, ensuring long-term dependability and building valuable relationships, we ensure sustainable growth. We produce organic chemicals, specialty chemicals and niche specialty chemicals. Our intellectual capital, research efforts and collaborations serve us well to emerge as the first point of call for existing and prospective customers.

## SPECIALITY MONOMERS

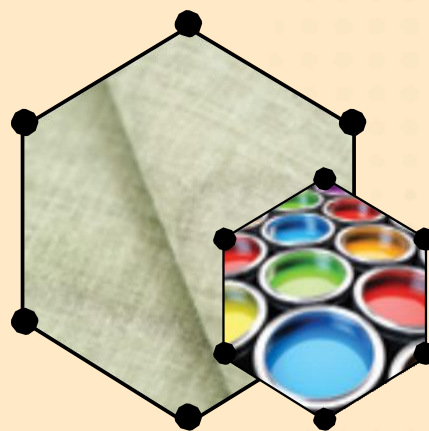
Speciality Monomers act like building blocks, useful in designing unique polymer structures. They contain a low to high range of molecular weight and are low in volatility.

### Product

- 2-Acrylamido 2-Methylpropane Sulphonic Acid (ATBS)
- Sodium Salt of 2-Acrylamido-2-Methylpropane Sulphonic Acid (NAATBS)
- N-Tertiary Butyl Acrylamide (TBA)
- N-Tertiary Octyl Acrylamide (TOA)

### Applications

- Construction, Water treatment, textile, adhesives and paint & paper coating
- Construction, Water treatment, textile, adhesives and paint & paper coating
- Personal care, paper, metal
- Adhesives, personal care, antiscalants



## SPECIALITY AROMATICS

These colourless liquids with a characteristic smell are important chemical precursors which can be converted into many of the intermediates needed to produce an extensive range of everyday products.

### Product

- Iso Butyl Benzene (IBB)
- Normal Butylbenzene (NBB)
- C 10 Aromatic Solvent

### Applications

- Pharmaceutical
- Speciality solvent
- Paint & coatings, agrochemicals



## OTHER SPECIALITY PRODUCTS

Specialty chemicals, also known as performance chemicals, are used as ingredients in finished products and to improve manufacturing processes. Products and services in the specialty chemicals industry require intensive knowledge and ongoing innovation

### Product

- IsoButylene (IB)
- Methanol
- High Purity- Methyl Tertiary Butyl Ether (HP-MTBE)
- Hexene
- Tertiary-Butylamine
- Para Tertiary Butyl Benzoic Acid (PTBBA)
- Methyl 4-Tertiary Butyl Benzoate (PTBMB)

### Applications

- Pharmaceutical
- Agrochemicals
- Specialty solvent
- Paint & coatings, agrochemicals
- Tyre Industry
- Rubber, Crop protection
- Personal Care
- PVC Stabilizers
- Alkyd Resins



## MISCELLANEOUS POLYMERS

Polymers are the most rapidly growing sector of the materials industry. From being low cost substitutes for natural products, polymers now progressively finds its uses in a wide variety of applications and caters to various industries.

### Product

- Vinflow HT
- Vinplast 245 (Acrylic Super Plasticizer)

### Applications

- Construction, ceramics, oil drilling, mining, leather and paper



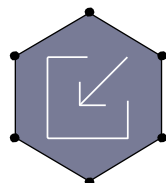
## DOWNSTREAM SECTORS

- Water treatment · Emulsions and Paints · Construction · Pharmaceutical
- Agrochemical · Mining · Paper · Leather · Oil Drilling · Personal Care

# Our Value Creation Model

## Capitals

### Inputs



#### Financial Capital

- J1051 crores equity
- ZERO long-term debt

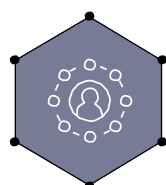
#### Human Capital

- 1200+ employees across the organisation as on March 31, 2019
- Employee wellness programmes
- Training and development programmes through face-to-face workshops, conferences, and an effective Learning Management System.
- Training provided to help develop technical and soft skills.

#### Natural Capital

- Business built on green chemistry & recycle model ensuring zero effluent discharge.
- Continued investment in initiatives to minimise the environmental impact of our business.

### Value creation process



We are engaged in manufacture of basic organic chemicals, specialty chemicals and niche specialty chemicals. Our major products are ATBS and IBB.

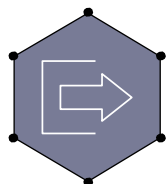
#### Revenue growth in ATBS Crores

FY 2018	377
FY 2019	638

#### Revenue growth in IBB Crores

FY 2018	161
FY 2019	207

### Outcome



- Growth in Revenue and profitability
- 27% ROE
- Growth in EPS
- Capacity expansions and new projected funded through internal accruals
- EBIDTA of J454 crores

- J54 crores paid for employee remuneration and benefits
- Invested in employee training programs during the year
- Increased productivity
- Skilled work force to maintain sustainable profitable growth

- Continued compliance with applicable environmental legislation
- Rated GOLD by EcoVadis towards sustainability performance
- ISO 14001 Plant certification for Environmental Management System



### Manufacturing Capital

- **J547 crores** gross block invested.
- **J200+ crores** Invested in building capacities in last five years.

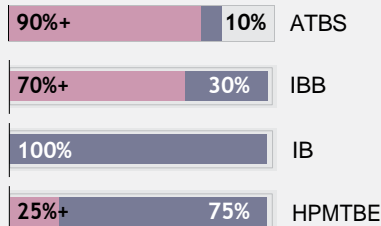
### Intellectual Capital

- Trademark
- Systems and operation
- Leadership expertise
- Innovation driven culture
- Experienced scientists working
- Invested in technology reducing the impact of climate change.

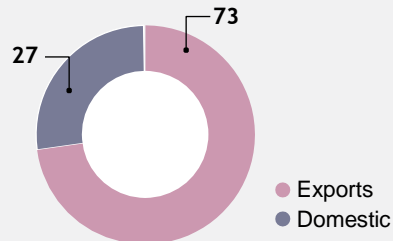
### Social & Relationship Capital

- **J8.3 crores** spent towards social and community activities in last four years

#### International-domestic sales ratio



#### Overall Revenue mix



- **Largest** Manufacturer of ATBS in the world
- **Largest** manufacturer of IBB in the world
- **Largest** manufacturer of IB & HP MTBE in India
- **Only** manufacturer of TBA, TB Amine, TOA, PTBT, PTBBA, PTBMB in India

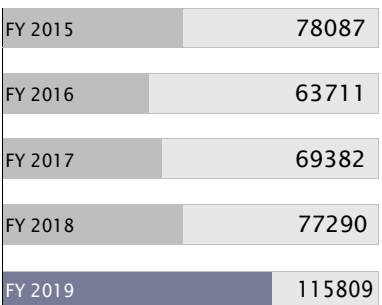
- Positive brand reputation
- Highest purity standard achieved by ATBS product
- **99.7%** purity standard of IBB product
- **99.85%** purity standard of IB product
- **99.97%** purity standard of HP-MTBE product

#### ISO 14001

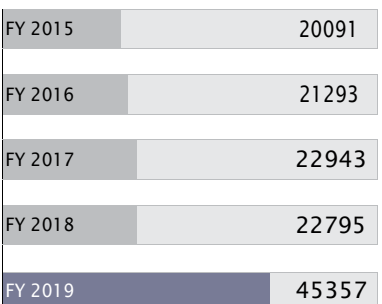
- Plant certification for the Environmental Management System
- Increased industry participation and management
- Positive corporate reputation and brand loyalty
- Encouraging education of girl child by donating uniforms and other educational aids
- Motivating meritorious students through an awards system
- Imparting technical skills to people belonging to the marginalised sections of the society

# Financial Highlights

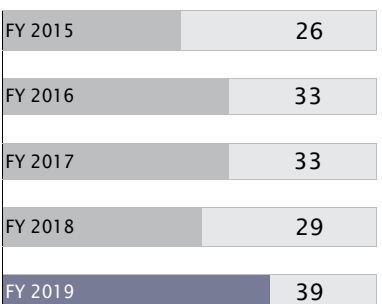
Revenue (H in Lacs)



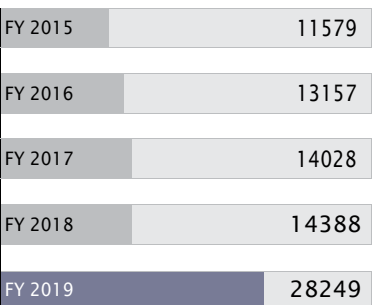
EBIDTA (H in Lacs)



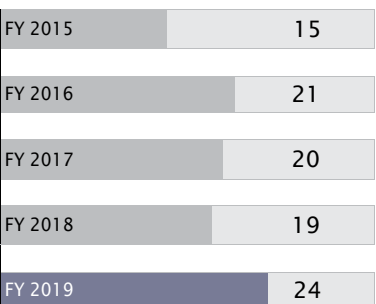
EBIDTA Margin (%)



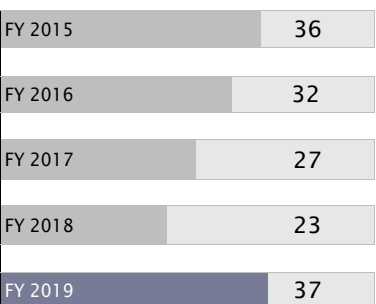
PAT (H in Lacs)



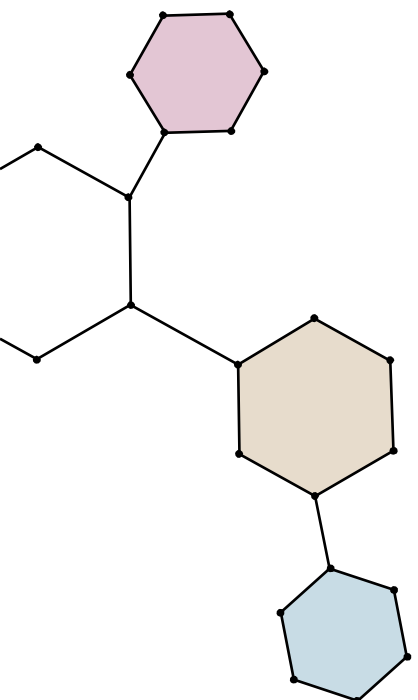
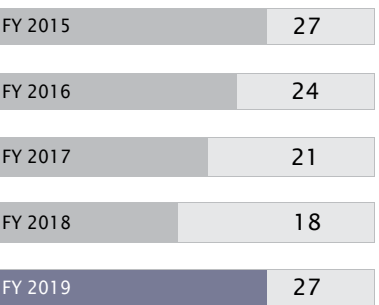
PAT Margin (%)



ROCE (H)



ROI (H)



# Our Global Reach

We remain committed to advancing our growth strategies by increasing the pace of our business investments while diligently maintaining operational efficiencies.

Plant location



35

Countries we export to

65%

Global ATBS market share in FY19

65%

Global IBB market share in FY19

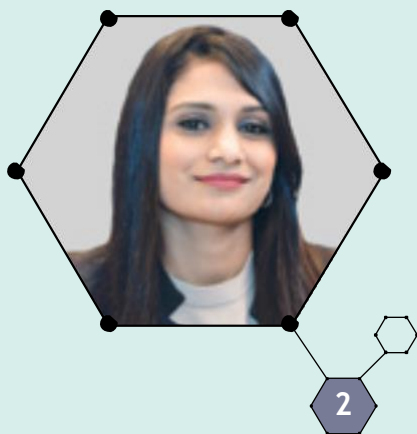
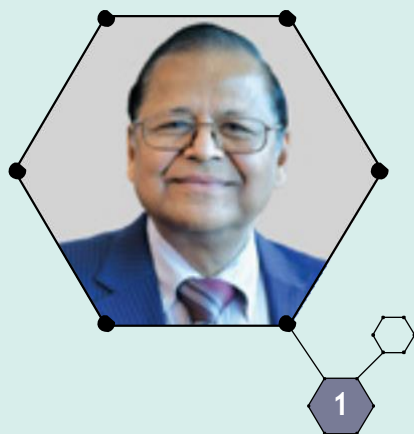
73%

Revenue from Export Sales

27%

Revenue from Domestic Sales

# Company Leadership





**Mr. Vinod Banwarilal Saraf**

Chairman

DIN: 00076708

Mr. Vinod Saraf is the founder of Vinati Organics Ltd. He has 23 years of previous industrial experience with Bhilwara Group, Modern Syntex (I) Ltd. and Grasim Industries Ltd. As Vice President of Chemicals division of Grasim industries he was responsible for identification of chemical/petrochemical projects, technical tie-up and feasibility studies etc. During this period he was involved in the implementation of the gas based sponge iron project of Grasim. Subsequently he was nominated as "Managing Director (Finance and Administration)" on the Board of Directors of Mangalore Refinery & Petrochemicals Ltd.

1

**Ms. Vinati Saraf Mutreja**

Managing Director &amp; CEO

DIN: 00079184

Ms. Vinati Saraf Mutreja joined Vinati Organics Ltd. in 2006. Prior to joining Vinati Organics, Ms. Vinati worked as a Consultant for Mercer Oliver Wyman, a New York based consulting firm specializing in financial services and risk management. She also worked as summer analyst at Insight Venture Partners in New York and Citibank in Mumbai.

2

**Ms. Viral Saraf Mittal**

Director – CSR &amp; Corporate Strategy

DIN: 02666028

Ms. Viral Saraf Mittal joined Vinati Organics Ltd. in 2009. Prior to joining Vinati Organics, Ms. Viral Saraf Mittal worked as Headed a project called DMA (direct marketing agent) Fraud to find out the DMAs who might indulge in fraudulent behaviour or make false promises to ICICI Bank. Found the attrition rate of the accounts on book region / city / surrogate club / surrogate / logo wise. Worked with MBA students to present a project report on DMA Fraud

3

**Mr. R. K. Saraswat**

Independent Director

DIN: 00015095

Qualified Chartered Accountant having 50 years of working experience. His knowledge and experience will be of immense help to the Company.

4

**Ms. Mona M. Bhide**

Independent Director

DIN: 05203026

Managing Partner of Dave & Girish & Co., a Law Firm focusing on International Finance & Corporate Laws. She is also Advisor to various Banks and Financial Institutions

5

**Mr. Sunil Banwarilal Saraf**

Non-Independent Director

DIN: 00076887

He is a Commerce Graduate from Rajasthan University. He is having rich experience of 28 years. He is Director on the Board since inception of the Company

6

**Mr. Adesh Kumar Gupta**

Independent Director

DIN: 00020403

Over three and a half decade of experience working exclusively with the Aditya Birla Group out of which last 15-20 years in various senior leadership roles, last one being the Whole time Director and CFO of Grasim and Director – UltraTech, in the capacity as Business. Have been associated with different businesses / companies of the group including Grasim, UltraTech, Aditya Birla Nuvo, Pulp & Fiber Birla Global Finance and Indian Rayon

7

**Dr. M. Lakshmi Kantham**

Independent Director

DIN: 07831607

Dr. Prof. Mannepalli Lakshmi Kantam has 32 years of experience in the research, design and development of catalysts for innovative green and economical processes for chemical industry.

8

Dr. Prof. Mannepalli Lakshmi Kantam served as Director at CSIR-IICT, Hyderabad. Considering her huge experience of the chemical industry & criteria of Independent Director, the Board proposed her appointment as Independent Director.

# Corporate Information

## Board of Directors

Mr. Girish M. Dave (DIN: 00036455),  
Non-Executive Chairman (upto 27.10.2018)

Mr. Vinod Saraf (DIN:00076708),  
Chairman (w. e. f. 27.10.2018)

Mr. C. B. Gokhale (DIN: 00079489),  
Independent Director (upto 31.03.2019)

Mr. A. A. Krishnan (DIN: 00086374),  
Independent Director (upto 31.03.2019)

Mr. R. K. Saraswat (DIN: 00015095),  
Independent Director

Ms. Vinati Saraf Mutreja (DIN:00079184),  
Managing Director & CEO (w. e. f. 27.10.2018)

Ms. Viral Saraf Mittal (DIN:02666028),  
Director-CSR & Corporate Strategy

Mr. Mohit Mutreja (DIN: 02666018),  
Non-Independent Director (upto 28.07.2018)

Mr. Sunil Saraf (DIN: 00076887),  
Non-Independent Director

Mrs. Mona Bhide (DIN: 05203026),  
Independent Director (w. e. f. 27.10.2018)

Mr. Adesh Kumar Gupta (DIN: 00020403),  
Independent Director (w. e. f. 11.05.2019)

Dr. Prof. M. Lakshmi Kantam (DIN: 07831607),  
Independent Director (w. e. f. 11.05.2019)

## Chief Financial Officer

Mr. N. K. Goyal

## Company Secretary & Compliance Officer

Mr. Gunvant S. Singhi (upto 31.07.2018)  
Mr. Milind A. Wagh (w. e. f. 01.08.2018 )

## Bankers

State Bank of India & Citibank N.A.  
Yes Bank Ltd. & HDFC Bank Ltd.

## Auditors

M. M. Nissim & Co.  
Chartered Accountants

## Registered Office & Mahad Works

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

## Lote Works

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

## Registrar & Transfer Agents

M/s.Sharex Dynamic (India) Pvt. Ltd.,  
C – 101, 247 Park, L B S Marg,  
Vikhroli (West), Mumbai – 400 083.

## Corporate Office

Parinee Crescenzo, 1102, A Wing, 11th Floor, “G” Block, Plot No.  
C38 & C39, Behind MCA, Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051.

# Directors' Report

To the Members,

Your Directors have pleasure in presenting their Thirtieth Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March 2019.

## 1) FINANCIAL RESULTS:

The summarized position of these results is given below:

	(H in Lakhs)	
	2018-2019	2017-2018
Net Sales/Income from Operations	110814.01	74220.02
Other Income	4995.45	3069.57
Total Income	115809.46	77289.59
Profit before Finance cost, Depreciation & Taxes	45357.04	22794.70
Finance cost	94.40	121.09
Profit before Depreciation & Taxes	45262.64	22673.61
Depreciation & Amortisation Expense	2738.56	2336.26
Profit before Taxation	42524.08	20337.35
Provision for Taxation- Current	13861.73	5555.71
Deferred	371.30	1130.63
Earlier year adjustment	42.21	(737.11)
Profit for the year	28248.84	14388.12
Items that will be reclassified to profit or loss re-measurements of defined benefit plans	1.00	(18.37)
Income Tax relating to items that will not be reclassified to profit or loss	(0.35)	6.36
Total other comprehensive income for the year, net of tax	0.65	(12.01)
Net Profit for the year	28249.49	14376.11

## 2) REVIEW OF OPERATIONS:

The Net Sales/Income from operations during the year has gone up by 49.30% to H110814.01 Lakhs from H74220.02 Lakhs.

## 3) STATE OF AFFAIRS:

The Company is engaged in the business of manufacturing of specialty organic intermediaries and monomers.

There has been no change in the business of the Company during the financial year ended 31st March, 2019.

## 4) DIVIDEND:

Your Directors are pleased to recommend a dividend of 350% i.e. H7.00 per equity share.

The total outgo on dividend account will be H4336.82 Lakhs (inclusive of dividend distribution tax).

The Dividend is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with regulation 43 A of the SEBI (Listing Obligations & Disclosure Requirements)

Regulations, 2015. The Policy is annexed as **Annexure 'A'** forming part of this Board Report and also uploaded on the Company's Website at <http://vinatiorganics.com>

## 5) SUBSIDIARY COMPANY:

The Company does not have any subsidiary company.

## 6) PROSPECTS:

The site work related to increase in ATBS manufacturing capacity as well as augmenting downstream processing (TBA/Polymer) capacity at Lote is in full swing. The Company plans to increase the production capacity of ATBS from existing 26000 TPA to 40000 TPA.

The total expenditure expected for this expansion is about H110 Crores. The expansion is likely to be completed in Q2 FY 20.

Butyl Phenols (Isobutylene Based Downstream Products): Work related to Butyl Phenol Project is in full swing at Lote site and is also expected to be commissioned in Q2 FY 20.

## 7) TURNOVER AND PROFIT (OPERATING RESULTS):

The Company achieved gross turnover of H110814.01 Lakhs as compared to H74220.02 Lakhs in the previous year up by 49.30%. The net profit after tax increased to H28248.84 Lakhs as compared to H14388.12 Lakhs in the previous year up by 96.33%

## 8) INSURANCE:

The properties and insurable interest of your company like Building, Plant and Machinery, Inventories etc. are properly insured.

## 9) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sunil Saraf Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

During the year, Mr. Girish M. Dave relinquished the position of Independent Director & Chairman with effect from October 27, 2018 due to completion of 80 years of age. The Board appreciated his valuable advice and guidance to the Company from time to time during the tenure of his terms of office as director of the Company.

During the financial year 2018 – 19, Mr. Vinod Saraf has resigned from the position of Managing Director of the Company with effect from 27th October, 2018. Further he has been appointed as Whole-time Director and the Chairman of the Board, designated as “Chairman & Executive Director” for the period of 5 years with effect from 27th October, 2018, by the Board of directors of the Company in its meeting held on 27th October, 2018 on the recommendation of the Nomination & Remuneration Committee, which is subject to approval of the Shareholders of the Company in their Annual General Meeting.

Further, Ms. Vinati Saraf Mutreja has resigned from the position of Whole-time Director, designated as “Executive Director” of the Company with effect from 27th October, 2018 and has been appointed as Managing Director and Chief Executive Officer (“MD & CEO”) for the period of 5 years with effect from 27th October, 2018, by the Board of directors of the Company in its meeting held on 27th October, 2018 on the recommendation of the Nomination & Remuneration Committee, which is subject to approval of the Shareholders of the Company in their Annual General Meeting.

Ms. Viral Saraf Mittal was appointed as Whole Time Director designated as Director – Corporate Strategy of the Company for a period from 19th May 2014 to 18th May 2019. Her term as Whole time director expires on 18th May 2019 and has been re-appointed as Whole Time Director, designated as Director – CSR & Corporate Strategy for further period of 5 years w. e.

f. 19th May 2019 by the Board of directors of the Company in its meeting held on 11th May, 2019 on the recommendation of the Nomination & Remuneration Committee, which is subject to approval of the Shareholders of the Company in their Annual General Meeting.

As per Section 152 (6) (e) total number of directors did not include independent directors. Mr. R. K. Saraswat, Mr. A. A. Krishnan and Mr. C. B. Gokhale, as they held term upto five consecutive years on the Board of the Company, i.e. up to 31.03.2019.

Mr. R. K. Saraswat has been re-appointed as Independent Director for Next Term For the Period of One Year w.e.f. 1st April 2019 to 31st March 2020 and has been approved by the shareholders by passing Special Resolution through Postal Ballot.

The Board of Directors has appointed:

- (1) Smt. Mona Bhide as a Non-Executive and woman Independent Director of the Company w. e. f. 27th October 2018.
- (2) Mr. Adesh Kumar Gupta as a Non-Executive and Independent Director of the Company w. e. f. 11th May 2019 and
- (3) Dr. Prof.Mannepalli Lakshmi Kantam as a Non-Executive and woman Independent Director of the Company w. e. f. 11th May 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

### Key Managerial Personnel

Shri Vinod Saraf - Chairman , Ms. Vinati Saraf Mutreja – Chief Executive Officer and Managing Director, Ms. Viral Saraf Mittal – Director-CSR & Corporate Strategy, Mr. NK Goyal – Chief Financial Officer (CFO) , Mr. Jayesh Ashar– Chief Operating Officer (COO) and Mr. Milind Wagh – Company Secretary, are the Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).



Mr. Gunvant S. Singhi - Company Secretary & Compliance officer of the Company has retired from the Company w.e.f. 31st July, 2018. Board places on record its deep appreciation for the excellent contributions made by Mr. Gunvant S. Singhi during his tenure.

Mr. Milind Wagh has been appointed as Company Secretary & Compliance officer of the Company w.e.f. 1st August, 2018.

## 10) AUDITORS' REPORT :

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2019.

## 11) COST AUDITORS:

As per Section 139 of the Companies Act, 2013, M/s. N. Ritesh & Associates have been appointed as a Cost Auditor for the year ending on 31.03.2020, subject to the approval of Central Government, if required.

The Audit Committee has received a Certificate from the Cost Auditors certifying their independence and long relationship with your Company. In accordance with Cost Audit (Report) Rules, 2001, the due date for filing the Cost Audit Report in XBRL for the financial year ended 31.03.2018 was 28.02.2019 and the same was filed on 23.11.2018 vide SRN No.: H29272747 with the Ministry of Corporate Affairs, New Delhi.

## 12) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which forms part of this report. The Remuneration policy has been posted on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

## 13) FIXED DEPOSITS:

During the year under review the Company did not invite or accept any Fixed Deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the date of balance sheet from public.

## 14) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company had a total foreign exchange earnings and outgo as provided below during the year ended 31st, March 2019:

Foreign Exchange Earnings - H81255.76 Lakhs

Foreign Exchange Outgo - H18112.03 Lakhs

## 15) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

Information as per Section 134 (3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, relating to the above head are given in **Annexure 'B'** forming part of this report.

## 16) HUMAN RESOURCE:

The Company believes that Human Resources play a very critical role in its growth. Its management has infused a lot of rigor, intensity in its people Development Processes and in honing skill sets. Various initiatives have been launched to provide growth opportunities to Employees. For the development of the Employees, the Company has created a structured training framework for the employees to ensure their ongoing education.

The Group's Corporate Human Resources function has played and continues to play an integral role in the Company's talent management process.

## 17) QUALITY INITIATIVES:

Sustained commitment to highest levels of quality, best-in-class service management, robust information security practices and mature business continuity processes helped the Company attain significant milestones during the year.

## 18) LISTING:

The Company's equity shares continue to be listed at BSE & NSE. We confirm that the Listing fee for the financial year 2019-2020 has been paid to them. The stock code of the company at BSE is 524200 and NSE is VINATIORGA.

## 19) SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## 20) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed.

- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. they have taken proper and sufficient care 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;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

## 21) DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all of its Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

## 22) MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH, 2019):

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY19) of the Company to which the Financial Statements relate and the date of this report.

## 23) CORPORATE GOVERNANCE AND MANAGEMENT'S DISCUSSION AND ANALYSIS REPORTS:

The Corporate Governance and Management's Discussion and Analysis Reports, which form an integral part of this report, are set out in separate annexures to this report, along with the certificate from the Auditors of the Company certifying compliance of the conditions of the Corporate Governance

as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. (See Annexures 'C', 'D' & 'E')

## 24) EMPLOYEES:

The Company is required to make disclosure under section 134 of the Companies Act, 2013 for its employee drawing remuneration in excess of H1.02 Cr P.A. or H8.50 Lakhs Per month. (See Annexure 'F')

Employee holding 2% or more of the equity shares by himself/herself or along with his/her spouse:

1. Mr. Vinod Saraf – Managing Director – 6950291 shares - 13.52%
2. Mrs. Kavita Vinod Saraf – Spouse – 6207228 shares - 12.08%

## 25) NO CHANGE IN THE CLASS AND NATURE OF THE BUSINESS OF COMPANY OR ITS SUBSIDIARIES:

There has been no change in the class and nature of the business of the Company. The Company does not have any Subsidiary Company.

## 26) CORPORATE DEVELOPMENT:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated January 30, 2019 for Reappointment of Mr. R.K. Saraswat as Independent Director of the Company for the period of one year w .e. f. 1st April 2019, which was duly passed and the results of which were announced on March 14, 2019. Mr. Vijay Mishra (Membership No. FCS 5023) of VKM and Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

## 27) COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Company as on 31st March, 2019 comprised the following 3 Directors of the Company:

1. Mr. R. K. Saraswat: Independent Director - Chairman
2. Ms. Mona Bhide : Independent Director - Member
3. Mr. C.B. Gokhale: Independent Director - Member

## 28) ESOP/ESOS:

The Company has not issued any ESOP or ESOS.

## 29) SWEAT EQUITY:

The Company has not issued any sweat equity.

**30) PREFERENTIAL ALLOTMENT:**

The Company has not issued any shares as a preferential allotment.

**31) REDEMPTION OF SHARES/ DEBENTURES:**

The Company has not redeemed any Shares or Debentures.

**32) DISQUALIFICATION OF DIRECTOR:**

No Director of the Company is disqualified under any law to act as a Director.

**33) CORPORATE SOCIAL RESPONSIBILITY:**

The Corporate Social Responsibility Committee was constituted on 10th May, 2014 and reconstituted on 26th February, 2015 as per Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. This committee comprises of 4 Directors of the Company.

All the members of Corporate Social Responsibility Committee mentioned above i.e. Mr. Vinod Saraf, Chairman, Mr. R. K. Saraswat, Director, Ms. Vinati Saraf Mutreja, Managing Director & CEO & Ms. Viral Saraf Mittal, Director-CSR & Corporate Strategy have good knowledge and exposure to utilize the Company's resources towards its corporate social responsibility. The Corporate Social Responsibility policy is available on Company's website.

The average profit of the Company for last three years is H19821.96 Lakhs. Prescribed CSR expenditure is H396.44 Lakhs. Details of CSR spent during the financial year 2018-19 are as per **Annexure 'G'** enclosed. Amount unspent during the year is H116.24 Lakhs as good projects were not found till 31.03.2019. The Corporate Social Responsibility (CSR) policy of the Company has been posted on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

**34) POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed there under and an Internal Complaints Committee consisting of Ms. Vinati Saraf Mutreja, Managing Director & CEO, Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy and Ms. Priyanka Kheruka, Member has also been set up to redress complaints received regarding sexual harassment.

The Company has ensured organization wide dissemination of the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act by conducting sessions throughout the Company.

During the financial year 2018-19, the Company received no complaints. The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Sexual Harassment policy posted on the website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com)

**35) EXTRACT OF ANNUAL RETURN- MGT - 9:**

Extract of Annual Return for financial year ended 31.03.2019 (Pursuant to section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014) in the prescribed Form No. MGT-9 is given in the **(Annexure 'H')** which is a part of this report. The same is available on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com)

**36) SECRETARIAL AUDIT REPORT:**

To comply with the provisions of Section 204 of the Companies Act, 2013 we enclose herewith Secretarial Audit Report received from M/s. VKM & Associates, Practicing Company Secretary for the year ended 31st March, 2019 **(Annexure 'I')**. The same does not contain any adverse remarks.

**37) RISK MANAGEMENT:**

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The risk management policy has been posted on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

**38) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Company had not given any loans and guarantees. The Company had made investments amounting to H9647.34 Lakhs as given below:

In mutual fund units	(J in Lakhs)
1,69,32,057.98 Units HDFC Arbitrage Wholesale Direct –DM	1771.60
1,09,05,356.18 Units ICICI Prudential Equity Arbitrage Direct-D	1580.34
99,44,215.02 Units Kotak Equity Arbitrage Direct-DM	1094.62

15,24,739.51 Units Kotak Saving Direct Growth <b>Non Convertible Debenture</b>	465.85
200 Units (Face Value H10,00,000.00) India Infoline NCD	2097.77
1942 Units (Face Value H1,00,000.00) Edelweiss Finvest NCD	2106.84
50 Units (Face Value H10,00,000.00) HDB Financial Services NCD	530.32
<b>Total</b>	<b>9647.34</b>

### 39) DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### 40) PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Whole-time directors	Ratio to median remuneration
1.	Mr. Vinod Banwarilal Saraf, Chairman	30.63
2.	Ms. Vinati Saraf Mutreja, Managing Director & CEO	21.45
3.	Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy	12.27

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Sr. No.	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
1.	Mr. Vinod Banwarilal Saraf, Chairman	10%
2.	Ms. Vinati Saraf Mutreja, Managing Director & CEO	10%
3.	Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy	10%
4.	Mr. Jayesh Ashar, Chief Operating Officer	12.3%

5.	Mr. N. K. Goyal, Chief Financial Officer	11.3%
6.	Mr. G. S. Singhi, Company Secretary cum Finance Controller (up to 31.07.2018)	10%
7.	Mr. Milind Wagh, Company Secretary appointed w. e. f. 01.08.2018	NIL

- c. The percentage increase in the median remuneration of employees in the financial year: 12%
- d. The number of permanent employees on the roll of Company: 817
- e. The explanation on the relationship between average increase in remuneration and Company performance:

The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY19 (H in Lakhs)	478.55
Revenue (H in Lakhs)	110814.01
Remuneration of (KMP) as a percentage of revenue	0.43
Profit before tax (PBT) (H in Lakhs)	42524.08
Remuneration of (KMP) as % of PBT	1.13

- g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2019	March 31, 2018	% change
Market capitalization (H in Lakhs)	845896.27	462519.23	83%
Price earnings ratio	29.94	27.97	Nil

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2019 (J)	November 11, 1991 (IPO)*	% change
Market Price (BSE)	1646	1.33	123759
Market Price (NSE)	1644	1.33	123609

\* Adjusted for 1:2 bonus issue in 2007 and split of Face Value of shares from H10/- to H2/- face value in 2009.



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

Increase in managerial remuneration was 10% only.

- j. **Comparison of a remuneration of the key managerial personnel against the performance of the Company:**

Particulars	Total Remuneration	% of revenue 110814.01	(H in Lakhs) % of net profit before tax 42524.00
Mr. Vinod Banwarilal Saraf, Chairman	138.60	0.12	0.33
Ms. Vinati Saraf Mutreja, Managing Director & CEO	104.62	0.09	0.25
Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy	59.00	0.05	0.14
Mr. Jayesh Ashar, Chief Operating Officer	83.04	0.07	0.20
Mr. N. K. Goyal, Chief Financial Officer	64.34	0.06	0.15
Mr. G. S. Singhi, Company Secretary cum Finance Controller (up to 31.07.2018)	10.42	0.01	0.02
Mr. Milind Wagh, Company Secretary (from 01.08.2018)	17.05	0.01	0.04

- k. **The key parameters for any variable component of remuneration availed by the directors:**

No variable component is paid.

- l. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None.

- m. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

- n. The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. **[Annexure 'J']**. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

#### 41) WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against

victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

#### 42) TRANSACTION WITH RELATED PARTIES:

None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 'K' in Form AOC-2 and the same forms part of this report.

#### 43) BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board meetings, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

#### 44) INDEPENDENT DIRECTORS’ MEETING:

The Independent Directors of the Company met on 28th March, 2019, inter-alia to discuss:

- (i) Review the performance of non-Independent Directors and the Board of Directors as a whole;
- (ii) Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors;
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed. (Annexure ‘L’)

#### 45) NUMBER OF MEETINGS OF THE BOARD:

Four meetings of the board were held during the year dated 12.05.2018, 06.08.2018, 27.10.2018 & 30.01.2019. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

#### 46) INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this report.

#### 47) AUDIT COMMITTEE:

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

#### 48) REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made there under.

#### 49) TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

As required under Section 124 of the Act, 27,344 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

#### 50) AUDITORS:

##### (i) Statutory Auditors:

The Members at the 28th Annual General Meeting of the Company held on 29th July, 2017, had appointed M/s. M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122/W) as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 33rd Annual General Meeting of the Company to be held in 2022, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor’s appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor’s appointment is not included in the Notice of the ensuing Annual General Meeting.

##### (ii) Cost Auditors:

As per the requirements of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the Company and the Audit of the said Cost Records is being carried out every year. The Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. N. Ritesh & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2019-20, on such remuneration as mentioned in the Notice of the 30th Annual General Meeting. A resolution seeking Member’s ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 30th Annual General Meeting and the same is recommended for your consideration and ratification.

**(iii) Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company had appointed M/s. VKM & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the year ended 31st March, 2019. The Secretarial Audit Report issued in this regard is annexed as Annexure - H. The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2019 do not contain any qualification or reservation or adverse remark.

**51) CORPORATE POLICIES AND PROCEDURES ON INTERNAL FINANCIAL CONTROLS:**

The Corporate Policies and Procedures on Internal Financial Controls policy has been posted on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com)

**52) BUSINESS RESPONSIBILITY REPORT:**

As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Business Responsibility Report is attached and is a part of this Annual Report as set out in Annexure 'M' of this report and is also available on Company's website [www.vinatiorganics.com](http://www.vinatiorganics.com)

**53) STATUTORY DISCLOSURES:**

There were no transactions/events with respect to the following items during the financial year under review and accordingly no disclosure or reporting is required with respect to the same:

1. Deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries/ other Companies.

4. Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.
5. Buyback of shares
6. Material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report unless otherwise stated in the report. The details pertaining to the composition of various committees of the Board including the Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee and the details of establishment of Vigil Mechanism are included in the Corporate Governance Report, which is a part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**54) AWARDS:**

The Award received by Ms. Vinati Saraf Mutreja as Outstanding Women Entrepreneur from The Economic Times family business awards. The Company appreciates her efforts and congratulated to Ms. Vinati Saraf Mutreja.

**55) APPRECIATION & ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to place on record their sincere gratitude for assistance and cooperation received from Central & State Governments, banks, financial institutions, shareholders, business associates and esteemed customers for their continued support and assistance during the year.

Your Directors also place on record their appreciation for the excellent contribution made by all employees of Vinati Organics Limited through their commitment, competence, co-operation and diligence to duty in achieving consistent growth of the Company.

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Tel No.: 022-61240444/428, Fax No.: 022-61240438  
Email: [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com)  
Website: [vinatiorganics.com](http://vinatiorganics.com)  
CIN: L24116MH1989PLC052224  
Mumbai, 11th May 2019

**For and on behalf of the Board of Directors**

**Vinod Saraf**  
Chairman  
(DIN: 00076708)

## Annexure 'A'

# Dividend Distribution Policy

As adopted by the Board of Directors on 12th May, 2018

This policy applies to the distribution of dividend by Vinati Organics Limited (the "Company") in accordance with the provisions of the Companies Act, 2013 ("Act") and the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).

## Title

This policy will be called as 'Dividend Distribution Policy'.

## Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Regulations.

## Background

SEBI has, through its notification dated July 8, 2016, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, incorporating Regulation 43 A – Dividend Distribution Policy requiring the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

### A. The circumstances under which the shareholders may or may not expect dividend;

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

### B. The financial /internal parameters that shall be considered while declaring dividend;

The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Capital allocation plans including:
  - Expected cash requirements of the Company towards working capital, capital expenditure to meet expansion needs;
  - Investments required towards execution of the Company's strategy;
  - Funds required for any acquisitions that the Board of Directors may approve; and
  - any share buy-back plans.
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments.

### C. External factors that shall be considered for declaration of dividend;

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;

- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

#### **D. Utilization of Retained Earnings;**

The Company believes is cash retention for growth, expansion and diversification including acquisition to be made by it, and also as a means to meet contingency. The retained earnings of the Company may be used in any of the following ways:

1. Capital expenditure for working capital;
2. Organic and/or inorganic growth;
3. Investment in new business(es)
4. Additional investment in existing business(es)
5. Declaration of dividend
6. Capitalization of shares
7. Buy back of shares
8. General corporate purpose, including contingencies
9. Any other permitted usage as per the Companies Act, 2013

#### **E. Policy as to how the retained earnings shall be utilized.**

The consolidated profits earned by the Company can either be retained in the business and used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

#### **F. Provisions in regard to various classes of shares.**

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

#### **Review**

This policy will be reviewed and amended as and when required by the Board.

#### **Limitation and Amendment**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.



## Annexure 'B'

# Particulars Required Under The Companies (Accounts) Rules, 2014

### a) CONSERVATION OF ENERGY

The Company is engaged in the continuous process of further energy conservation through improved operational and maintenance practices and also undertaken effective measures to minimize energy consumption and the measures have resulted / will result in the consumption of power, fuel and coal, ultimately resulting in savings in the cost of production.

To foster technical excellence and to maintain its leadership position, your Company continues to accord high priority to R&D.

### b) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

#### (i) Efforts, in brief, made towards technology absorption, adoption and innovation

The technologies acquired by the Company in the past for the production of IBB, ATBS & Na-ATBS have been fully absorbed. The technologies have been further upgraded over the years through in-house innovation and knowledge engineering to achieve better material and energy efficiencies.

#### (ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc

Full understanding of the technology helped the Company to identify and develop schemes for the recovery of by-products. Better process knowledge and simulation facilitated achievement of higher production volumes, quality improvement and energy conservation.

#### (ii) Benefits derived as a result of the above efforts

The Company has been successful in new products and process development, quality, safety, standard, environmental protection measures and conservation of energy improvement.

At Mahad we recover pure NBB.

At Lote we manufacture Tertiary Butyl Acrylamide and recover ATFE Bottom Polymers.

#### (iii) Future plans of action

R&D in the relevant areas of business operations will continue. Emphasis will be on adopting products and processes to improve performance, be more environments friendly with a view to meeting customer needs.

### c) RESEARCH & DEVELOPMENT

#### (i) Specific areas in which R & D is carried out by the Company

The R&D unit is engaged in developmental activities such as developing alternate products and attaining better production efficiencies.

### d) FOREIGN CURRENCY EARNINGS AND OUTGO

The details of Foreign Exchange Earnings & Expenditure in Foreign Currency is given in Note No. 28 of Notes to Accounts in Annual Report.

## Annexure 'C'

# Corporate Governance 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.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

## 2. BOARD OF DIRECTORS

### (a) Composition

The Company has an optimum combination of Executive and Non-Executive Directors with 4 Independent Directors on the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than

5 Committees 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 8 Directors comprising one Executive Chairman, one Managing Director & CEO, Whole Time Director – CSR & Corporate Strategy and five Non-Executive Directors. (including 4 Independent Directors)

None of the directors are disqualified under section 164 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Sunil Saraf, Director who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

The Board met four times on the following dates during the financial year 2018-2019 and the gap between two meetings did not exceed four months:

Date of the Meeting	Total Strength	No. of Directors present
12 <sup>th</sup> May 2018	9	7
6 <sup>th</sup> August 2018	8	7
27 <sup>th</sup> October 2018	9	9
30 <sup>th</sup> January 2019	8	8

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 31st March, 2019 are given below:

Name	Category	No. of Board Meetings Attended during 2018-19	Whether attended AGM held on 28th July 2018	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 - up to 27.10.2018 & Chairman and Executive Director w.e.f. 27.10.2018)	Promoter, Non-Independent Executive	4	Yes	-	-	-

Name	Category	No. of Board Meetings Attended during 2018-19	Whether attended AGM held on 28th July 2018	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
					Chairman	Member
Mr. Girish M. Dave – Chairman-Non-Executive (up to 27.10.2018)	Independent Non-Executive	3	No	4	1	3
Mr. R.K. Saraswat (Director)	Independent Non-Executive	4	Yes	3	3	2
Mr. C.B. Gokhale (Director)	Independent Non-Executive	3	No	-	-	-
Mr. A.A. Krishnan (Director)	Independent Non-Executive	3	No	1	-	1
Mr. Sunil Saraf (Director)	Promoter, Non-Independent Non-Executive	4	No	-	-	-
Ms. Vinati Saraf Mutreja Managing Director & CEO (w.e.f. 27.10.2018)	Promoter, Non-Independent Executive	4	No	-	-	-
Ms. Viral Saraf Mittal Director – CSR & Corporate Strategy	Promoter, Non-Independent Executive	3	No	-	-	-
Mr. Mohit Mutreja Director (up to 28.07.2018)	Promoter, Non-Independent Non-Executive	1	No	-	-	-
Mrs. Mona Bhide Director (w.e.f. 27.10.2018)	Independent Non-Executive	2	No	1	-	-

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

General	Finance, Operations, Taxations, Banking, Legal and Human resources related.
Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

### (c) Familiarization Programme for Independent Directors

Regulation 25(7) of the Listing Regulations mandates the Company to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes. The Company through its Managing Director/ Whole time Director/ Senior Managerial Personnel conduct programmes/ presentations periodically to familiarize the Independent Directors with the strategy, business and operations of the Company. Such programmes/presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, services and product offerings, organization structure, finances, sales and marketing, human resources, technology, quality of products, facilities and risk management and such other areas as may arise from time to time.

The above programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates. The Familiarization programme for Independent Directors in terms of Regulation 25(7) of the Listing Regulations is uploaded on the website of the Company and can be accessed through the following link: <https://vinatiorganics.com/uploads/4721FPID28%2003%202019.pdf>.

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliances required from him under the Companies Act, 2013, Listing Regulations 2015 and other relevant provisions and affirmation taken with respect to the same.

The Chairman also have one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

**(d) Code of Conduct:**

The Company has adhered to a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information Pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 is available on the Company's website.

**(e) Non-executive directors were paid only sitting fees during the year. The details are as under:**

Sr. No.	Name of Directors - Non-executive	J in Lakhs
1.	Mr. Girish M. Dave up to 27.10.2018	1.75
2.	Mr. R. K. Saraswat	2.75
3.	Mr. C. B. Gokhale up to 31.03.2019	1.75
4.	Mr. A. A. Krishnan up to 31.03.2019	1.75
5.	Mr. Sunil Saraf	1.25
6.	Mr. Mohit Mutreja up to 28.07.2018	0.25
7.	Mrs. Mona Bhide w. e. f. 27.10.2018	1.00

**(f) Shareholdings of Directors as on 31.03.2019 are as under:**

Sr. No.	Name of Directors	No. Equity Shares
1.	Mr. Vinod Banwarilal Saraf	69,50,291
2.	Ms. Vinati Saraf Mutreja	6,05,310
3.	Ms. Viral Saraf Mittal	5,21,183

### 3. AUDIT COMMITTEE

**a. Constitution**

The Audit Committee, which was originally constituted on 31st 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 24th January 2002 and was reconstituted on 20th May 2006, 18th June 2009, 24th January 2011 and once again it was reconstituted on 27th October 2018 as per the provisions of Section 177 of the Companies Act, 2013 read with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The terms of reference of the Audit Committee as stipulated by the Board are in accordance with Section 177 of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b. Composition**

The Audit Committee of the Company as on 31st March, 2019 comprised the following 3 Directors of the Company:

1. Mr. R. K. Saraswat Independent Director-Chairman
2. Mrs. Mona M. Bhide Independent Director-Member
3. Mr. C. B. Gokhale Independent Director-Member

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 financial year 2018-19.

Date of the Meeting	Total Strength	No. of Directors present
12 <sup>th</sup> May 2018	3	2
6 <sup>th</sup> August 2018	3	3
27 <sup>th</sup> October 2018	3	3
30 <sup>th</sup> January 2019	3	3

The necessary quorum was present at the meetings.

Mr. Milind Wagh being the Company Secretary 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.

The terms of reference includes (a) power of the Audit Committee, (b) role of the Audit Committee and (c) review of information by the Audit Committee.

#### 4. SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company(s).

#### 5. SHARE TRANSFER COMMITTEE

The Share Transfer Committee was constituted on 25th January 2008 was reconstituted on 30th January, 2016 for approving transfers, transmission etc. It comprises of following Directors:

- (i) Mr. Vinod Saraf, Chairman
- (ii) Ms. Vinati Saraf Mutreja, Managing Director & CEO
- (iii) Ms. Viral Saraf Mittal, Director - CSR & Corporate Strategy

Mr. Milind Wagh, being the Company Secretary of the Company acts as the Secretary to the Committee. The Committee met 12 times during the year 2018-2019 for approving transfers, transmissions etc. All transfers & transmissions etc. were approved and share certificates were dispatched within 21 days and requests for dematerialization were confirmed within 21 days.

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

##### a. Terms of Reference

The Company has an independent Stakeholders Relationship Committee, which was constituted on 24th January 2002 and reconstituted on 20th May 2006 and 12th March 2010 and again it was reconstituted on 24th January 2011 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 Stakeholders Relationship Committee of the Company comprises of the following 3 Directors of the Company:

- 1. Mr. A. A. Krishnan : Chairman - Independent Non-Executive Director
- 2. Mr. Vinod Saraf : Member - Chairman of the Company
- 3. Ms. Vinati Saraf Mutreja : Member - Managing Director & CEO

##### c. Meetings & Attendances

The Stakeholders Relationship Committee met on the following date during the financial year 2018-19.

Date of the Meeting	Total Strength	No. of Directors present
8 <sup>th</sup> March 2019	3	2

Details of the investors Complaints received and redressed by the Company during the year 2018 - 2019 are as follows:

Opening Balance	Received During the year	Resolved during the Year	Closing Balance
0	25	25	0

Mr. Milind Wagh being the Company Secretary of the Company acts as the Secretary to the Committee and is the compliance officer.

#### 7. NOMINATION & REMUNERATION COMMITTEE

##### a. Constitution

The Remuneration Committee was originally constituted on 28th July 2010 as per Clause 49 of Listing Agreement for Corporate Governance and again it was reconstituted on 27th October, 2012 which was renamed Nomination & Remuneration Committee on 3rd May 2014 and once again it was reconstituted on 27th October 2018 as required under Section 178(1) of the Companies Act, 2013 read with Part D (A) of Schedule II and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

##### b. Composition

The Nomination & Remuneration Committee comprised the following 3 Directors of the Company:

- 1. Mr. A. A. Krishnan : Independent Director – Chairman
- 2. Mr. R. K. Saraswat : Independent Director – Member
- 3. Mr. Sunil Saraf : Non-Independent Director – Member

All the members of Nomination & Remuneration Committee mentioned in (a) and (b) have good exposure to finance as well as general management.

##### c. Nomination & Remuneration Policy

As per policy of the Company remuneration paid to the directors is as elaborated in Clause (d), hereunder.



Details of remuneration paid /payable to the directors for the year ended 31st March 2019.

#### Managerial remuneration

Name	Salary & Allowances	Contribution to PF	(H in Lakhs)
			Other Perquisites
Mr. Vinod Saraf - Chairman	125.62	11.60	1.39
Ms. Vinati Saraf Mutreja - Managing Director & CEO	87.93	8.12	8.57
Ms. Viral Saraf Mittal - Director – CSR & Corporate Strategy	49.65	4.58	4.77
<b>Total:</b>	<b>263.20</b>	<b>24.30</b>	<b>14.73</b>

Mr. Milind Wagh being the Company Secretary of the Company acts as the Secretary to the Committee.

## 8. RISK MANAGEMENT COMMITTEE

### a. Constitution

The Risk Management Committee was originally constituted on 27th January 2015 as per Clause 49 of Listing Agreement for Corporate Governance and once again it was reconstituted on 27th October 2018 as per the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### b. Composition

The Risk Management Committee was comprised majority of Directors and sr. Executives of the Company:

1. Mrs. Mona Bhide, Chairperson
2. Mr. Vinod Saraf, Chairman of Company
3. Ms. Vinati Saraf Mutreja, Managing Director & CEO
4. Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy
5. Mr. N. K. Goyal, Chief Financial Officer

All the members of Risk Management Committee mentioned above have good exposure to finance as well as general management.

### c. Power of Risk Management Committee:

The Committee is authorized to exercise all powers and discharge all functions related to risk management. They will review the Risk Management Policy from time to time.

## 9. FINANCE COMMITTEE

### a. Constitution

The Finance Committee was originally constituted on 12th May 2012 as per Clause 49 of Listing Agreement. For Corporate Governance.

### b. Composition

The Finance Committee was comprised the following 3 Directors of the Company:

Mr. Vinod Saraf, Chairman  
Ms. Vinati Saraf Mutreja, Managing Director & CEO  
Mr. Sunil Saraf, Director

All the members of Finance Committee mentioned above have good exposure to finance as well as general management.

### c. Meetings & Attendances

No meeting held during the year.

### d. Power of Finance Committee:

The Committee is authorized to exercise all powers and discharge all functions relating to working capital management, foreign currency contracts operation of bank accounts and authorizing officers of the Company to deal in the matters relating to excise, sales tax, income tax, customs and other judicial or quasi judicial authorities.

## 10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### a. Constitution

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee on 10th May 2014 and reconstituted on 27th January 2015.

### b. Composition

The Corporate Social Responsibility Committee was comprised of the following 4 Directors of the Company:

Mr. R.K. Saraswat, Chairman of CSR Committee  
Mr. Vinod Saraf, Director  
Ms. Vinati Saraf Mutreja, Managing Director & CEO  
Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy

All the members of Corporate Social Responsibility Committee mentioned above have good knowledge and exposure to utilize the Company's resources towards its corporate social responsibility.

**c. Meetings & Attendances**

The Corporate Social Responsibility Committee met on the following date during the financial year 2018-19.

Date of the Meeting	Total Strength	No. of Directors present
29 <sup>th</sup> March 2019	4	3

**d. Power of Corporate Social Responsibility Committee:**

The Committee is authorized to exercise all powers available to them as per Companies Act, 2013.

Date of the Meeting	Total Strength	No. of Directors present
29 <sup>th</sup> March 2019	3	2

**d. Power of Sexual Harassment Committee:**

The Committee is authorized to exercise all powers for compliance of the sexual harassment of women at work place (prevention, prohibition and redressal) Act 2013.

**11. SEXUAL HARASSMENT COMMITTEE:****a. Constitution**

The Sexual Harassment Committee was originally constituted on 25<sup>th</sup> January 2014 as per Clause 49 of Listing Agreement for Corporate Governance.

**b. Composition**

The Sexual Harassment Committee comprised the following 2 Directors of the Company and 1 independent person:

Ms. Vinati Saraf Mutreja, Managing Director & CEO  
Ms. Viral Saraf Mittal, Director – CSR & Corporate Strategy  
Ms. Priyanka Kheruka - Member

**c. Meetings & Attendances**

The Sexual Harassment Committee met on the following date during the financial year 2018-19.

**12. INDEPENDENT DIRECTORS MEETING:**

Schedule IV to the Companies Act 2013, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management.

The Independent Directors met on the following date during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
28 <sup>th</sup> March 2019	4	4

Mr. Girish M. Dave, Independent Director of the Companies have resigned during the year 2018-19 due to Completion of 80 Years of age.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management

**13. GENERAL BODY MEETING****a) Location, date and time of Annual General Meetings held during the last 3 years:**

Year	Location	Date	Day	Time	No. of Special business passed
27 <sup>th</sup> AGM- 2016	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.	06/08/2016	Saturday	12 Noon	2
28 <sup>th</sup> AGM- 2017	- do -	29/07/2017	Saturday	12 Noon	2
29 <sup>th</sup> AGM- 2018	- do -	28/07/2018	Saturday	12 Noon	-

**b) Extraordinary General Meeting:**

No extraordinary general meeting of the members was held during FY 2019.

**c) Special Resolution(s):**

The following Special Resolutions were passed at the Annual General Meetings held in the last 3 years:

Date of Meeting	Summary of Resolution
July 28 <sup>th</sup> , 2018	No Special Resolution was passed
July 29 <sup>th</sup> , 2017	1. Amendment of the capital clause of memorandum of association: 2. Adoption of new set of Articles of Association
August 6 <sup>th</sup> , 2016	No Special Resolution was passed

### Postal Ballot

During the year under review, following resolution was passed through the exercise of Postal Ballot.

The postal ballot was carried out as per the provisions of Sections 108 and 110 of Companies Act, 2013 and other applicable provisions of the Act, read with the Rules framed thereunder.

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated January 30, 2019 for Reappointment of Mr. R.K. Saraswat as Independent Director of the Company w. e. f. 1st April 2019, which was duly passed and the results of which were announced on March 14, 2019. Mr. Vijay Mishra (Membership No.: FCS 5023) of VKM and Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner

Description of Resolution	No of Shares held	No of Votes Polled	% of Votes Polled	No of Votes in favour	No of Votes against	% of Votes in favour	% of Votes against
Reappointment of Mr. R. K. Saraswat as Independent Director	51391025	41755899	81.251	41754761	1138	99.997	0.003

- d) A certificate has been received from VKM and Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has 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 statutory authority.
- e) M. M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W) have been appointed as the Statutory Auditors of the Company.

The particulars of payment of Statutory Auditors' fees on consolidated basis is given below:

Particulars	Amount (J in Lakhs)
Services as statutory auditors (including quarterly audits)	8.50
Re-imbursement of out-of-pocket expenses	0
<b>Total:</b>	<b>8.50</b>

- f) The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

No. of Complaints Received during the FY 19 - NIL

No. of Complaints resolved during the FY 19 - NA

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 28 of Notes to 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 requirements of SEBI

The Company has complied with all the applicable mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- d. No personnel have been denied access to Audit Committee. The Board periodically reviews risk assessment and minimization and procedure through properly defined framework.
- e. Disclosures of accounting treatment (Already given in Annual Accounts)
- f. Proceeds from Public Issues, Rights Issues and Preferential Issues, etc.: During the year, your Company did not raise any funds by way of Public Issues, Rights Issues and Preferential Issues, etc.
- g. Remuneration of the directors (As mentioned under the head of Nomination & Remuneration Committee)
- h. Management (As mentioned under different heading of MDAR)
- i. General information of Shareholders (As mentioned under different heading of General Information of Shareholders)

## 14. DISCLOSURES

### a. Related Party Transactions

There have been no materially significant related party transactions with the Company's Promoters, Directors,

- j. Share Transfer Committee (As detailed in separate head of Share Transfer Committee)
- k. Stakeholders Relationship Committee (As mentioned under the head of Stakeholders Relationship Committee)
- l. Role of committee (Role of different committees have been elaborated under their respective headings)
- m. Voluntary guidelines 2009 - The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of Corporate Governance. Most of the provisions of these guidelines are in place.
- n. Finance committee (As mentioned under different heading)
- o. ESOS Compensation Committee (The Company does not have the ESOS committee)

## 15. MEANS OF COMMUNICATION

The quarterly results, half yearly and annual financial results are published in leading English and Marathi Newspapers i.e. Economic Times and Maharashtra Times.

The financial results, shareholding pattern & code of conduct are displayed on [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

All Official News Releases and the presentation made to the investors are displayed on the website of the Company.

## 16. 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 Director's 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.

## 17. COMPLIANCE OFFICER

Mr. Milind Wagh, Company Secretary is the Compliance Officer.

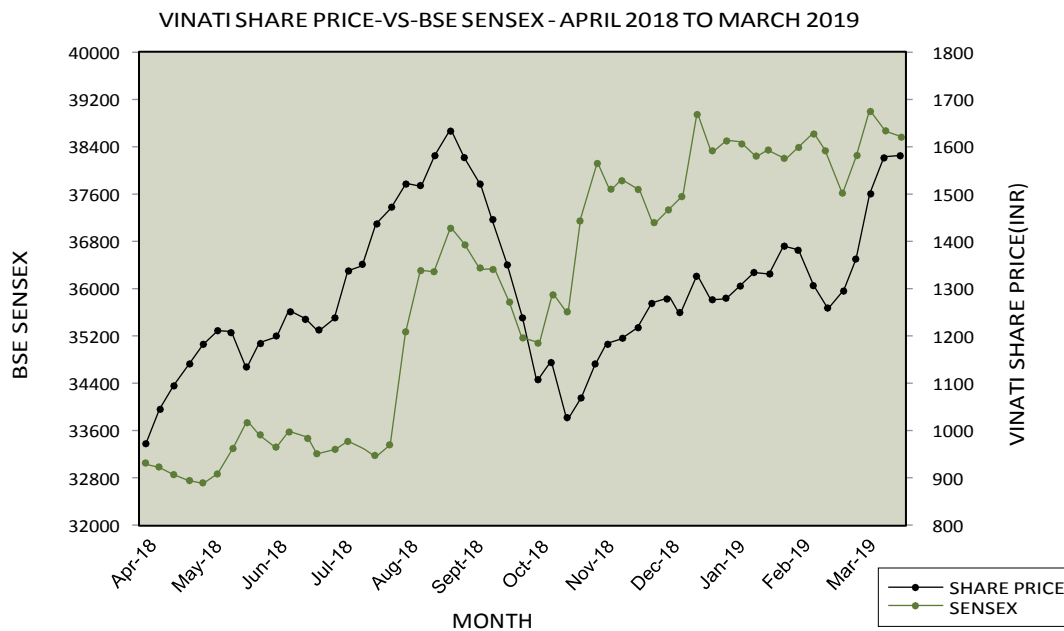
## 18. GENERAL SHAREHOLDER INFORMATION

<b>a. Annual General meeting Date, Time &amp; Venue</b>	27th July, 2019 at 12.00 noon at Regd. Office, at B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.
<b>b. Financial Calendar</b>	
Annual General Meeting	27th July, 2019
Unaudited results for the quarter ending June 30, 19	Within 45/60 days from the end of reporting quarter.
Unaudited results for the quarter/half year ending Sept' 30, 19	
Unaudited results for the quarter ending Dec' 31, 19	
Audited results for the quarter ending Mar' 31, 20	
<b>Date of book Closure</b>	18th July, 2019 to 27th July, 2019
<b>Dividend payment date</b>	31st July, 2019
<b>c. Listing on Stock exchange</b>	<p>The Company's Securities are listed on the following stock exchanges in India:</p> <p><b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001, Maharashtra.</p> <p><b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra</p>
<b>d. Stock Code:</b> BSE Ltd. National Stock Exchange of India Ltd. Demat ISIN in NSDL and CDSL for Equity Shares	524200 VINATI ORGA INE410B01029

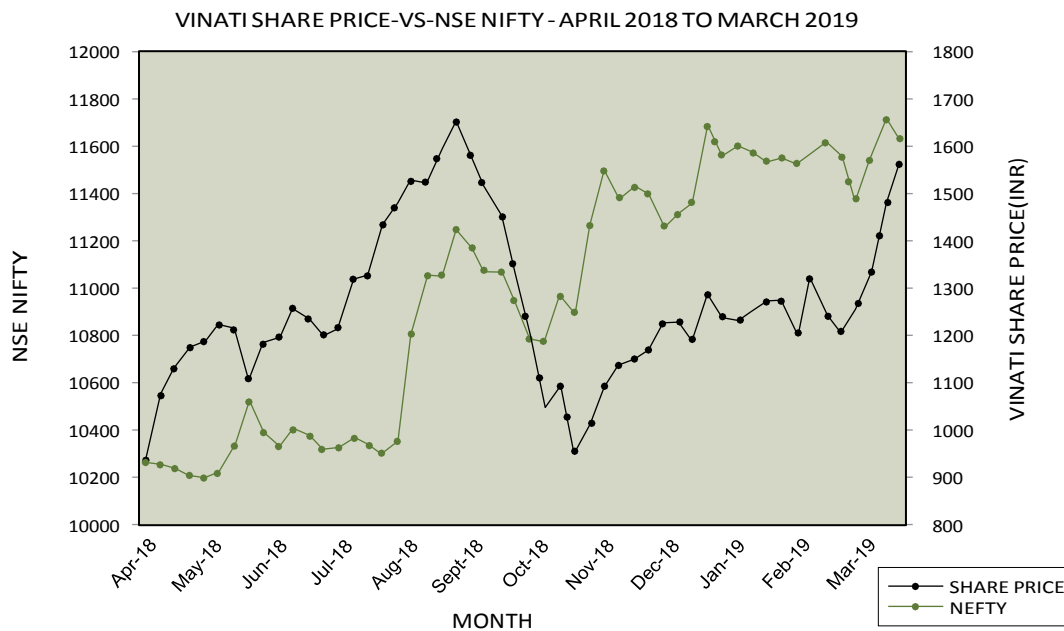
## e. Market Price Data:

Month & Year	BSE Ltd. (in J)		National Stock Exchange of India Ltd. (in J)	
	High	Low	High	Low
Apr – 2018	958	856	956	885
May – 2018	1042	873	1046	868
Jun – 2018	1026	925	1030	923
Jul – 2018	1010	909	998	910
Aug – 2018	1519	955	1518	955
Sep – 2018	1453	1190	1452	1182
Oct – 2018	1560	1112	1564	1056
Nov – 2018	1624	1377	1625	1375
Dec – 2018	1731	1397	1728	1390
Jan – 2019	1656	1515	1673	1515
Feb – 2019	1673	1390	1679	1385
Mar – 2019	1740	1464	1733	1440

## f. The performance of the Company's shares relating to the BSE Index for the year 2018-2019 is given below:



## g. The performance of the Company's shares relating to the NSE Index for the year 2018-2019 is given below:





**h. Share Registrars and Transfer Agents - Sharex Dynamic (India) Pvt. Ltd.**

Add.: C 101, 247 Park, L BS Marg, Vikhroli West, Mumbai 400 083	Tel	2851 5606 / 2851 5644 / 2851 6338
Maharashtra	Fax	2851 2885
	E-mail	support@sharexindia.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)

**i. 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.

**j. Distribution of Shareholding as on 31st March 2019.**

Category No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1 To 100	12826	64.06	371952	0.72
101 To 200	1689	8.44	261964	0.51
201 To 500	1813	9.06	632711	1.23
501 To 1000	2643	13.20	1969169	3.83
1001 To 5000	857	4.28	1807980	3.52
5001 To 10000	86	0.43	614088	1.20
10001 To 100000	84	0.42	2393847	4.66
100001 and above	23	0.11	43339314	84.33
<b>Total</b>	<b>20021</b>	<b>100.00</b>	<b>51391025</b>	<b>100.00</b>

**k. Category of shareholders as on 31st March 2019.**

Category	No. of share holders	Voting strength (%)	No. of ordinary shares
Individuals	18377	12.308	6325182
Promoters	5	74.009	38034216
Other Companies	321	1.112	571607
Non-Resident Individuals	762	0.426	219050
Nationalized Banks, Mutual funds and trusts	17	6.676	3430223
FII	69	3.770	1937260
Clearing Members	76	0.034	17263
HUF	388	0.331	170278
IEPF MCA Account	1	1.132	581906
Other Government FI/Corp	1	0.016	8225
NBFCs Registered with RBI	1	0.000	205
Alternate Investment Fund	3	0.186	95610
<b>Total</b>	<b>20021</b>	<b>100</b>	<b>51391025</b>

**l. Dematerialization of shares and liquidity**

4,98,40,114 (Total shares demated with NSDL is 29839426 & CDSL is 20000688) of the Company's share capital is dematerialized as on 31.03.2019. The Company's shares are regularly traded on BSE Ltd. and National Stock Exchange of India Ltd. as indicated in the Table containing market information.

**m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : NIL**

**n. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website([www.vinatiorganics.com](http://www.vinatiorganics.com)).

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company,. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2019 are as follows:

Financial Year	Amount of Unclaimed Dividend transferred J lakhs	Number of Shares Transferred
2010-11	15.34	27344

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website: [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Financial Year	Date of Declaration	Last date of Claiming unpaid dividend
2011-12	05-09-2012	04-10-2019
2012-13	07-08-2013	06-09-2020
2013-14	13-08-2014	12-09-2021
2014-15	12-08-2015	11-09-2022
2015-16(Interim)	28-03-2016	27-04-2023
2015-16(Final)	10-08-2016	09-09-2023
2016-17	02-08-2017	01-09-2024
2017-18	01-08-2018	31-08-2025
2018-19	31-07-2019	30-08-2026

**(a) Address of Registered Office:**

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

**(b) 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.

**(c) Investor's Correspondence Address:**

Mr. Milind Wagh – Company Secretary  
Parinee Crescenzo, A Wing, 1102, 11th Floor, "G"  
Block, Plot No. C38 & C39, Behind MCA, Bandra  
Kurla Complex, Bandra (E), Mumbai – 400 051.

**o. Reappointment / Appointment of Directors**

Information on directors retiring by rotation and directors seeking re-appointment, subject to members' approval at the ensuing Annual General Meeting is provided in the Notice.

**Other Disclosures:**

- Disclosure on materially significant related party transaction, that may have potential conflict with the interest of the Company at large: None of the transactions with any of the related parties were in conflict with the interest of the Company.
- Details of non-compliance by the Company, penalties, strictures imposed by stock exchanges/

SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

- iii) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee: In accordance with the requirements of the Act, read with Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:
- To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy and
  - To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.
  - To appropriately communicate the existence of such mechanism, within the organization and to outsiders. Whistle Blower Policy is available on Company's website(www.vinatiorganics.com).

The Company confirms that no personnel has been denied access to the audit committee pursuant to the whistle blower mechanism.

- iv) Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of sexual harassment were received.

- v) The Company has complied with all the mandatory requirements of Listing Regulations, in respect of corporate governance.

The following non-mandatory requirements have been adopted by the Company:

- Auditor's Report does not contain any qualifications.
- The Company has appointed separate persons to the posts of Chairman and Managing Director

- The Internal Auditors report directly to the Audit Committee

- The policy for determining 'material' subsidiaries is available on Company's website (www.vinatiorganics.com).
- The policy on dealing with related party transactions is available on Company's website (www.vinatiorganics.com).
- The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given.
- There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- A certificate from M/s. VKM & Associates, Company Secretaries, as to the Directors of the Company not being debarred or disqualified is enclosed herewith.
- In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

**p. MD & CEO /CFO Certification**

The Managing Director &CEO and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board as required under Regulation 17 of the Listing Regulations. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Listing Regulations.

**q. Risk Management**

The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

**r. Disclosure of accounting treatment different from accounting standards: None**

**s. Code of Conduct for Board Members and Senior Management:**

Pursuant to Regulation 17 of the Listing Regulations, the Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – www.vinatiorganics.com A certificate from the Managing Director & CEO, affirming compliance of the

said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.

Further, the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions, that may have a potential conflict with the interest of the Company at large.

**t. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Mr. Vijay Kumar Mishra, Practicing Company Secretary, holding Membership No. 5023 and C.P. No. 4279 was appointed as the Secretarial Auditor of the Company to carry out the secretarial audit for the year ended 31.03.2019.

A Secretarial Audit Report given by the Secretarial Auditor in Form No. MR-3 is annexed to Directors' Report as ANNEXURE – 'I' which forms the part of Annual Report.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his Report.

**u. Company's Policy On Prohibition Of Insider Trading**

Company has adopted a "Code of Internal procedure and conduct for regulating, monitoring and reporting of trading in securities by Insiders" as required under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company formulated a Code of Conduct to Regulate, Monitor, and Report trading by Insiders to deter the Insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. During the year under review there has been due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

# Practicing Company Secretaries' Certificate On Corporate Governance

{This Certificate is being issued in pursuance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.}

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of VINATI ORGANICS LIMITED (hereinafter will known as "the Company"), having its Registered Office at B-12 & B-13 MIDC Area Mahad, District-Raigad - 402309, Maharashtra, India incorporated vide its Company Registration Number L24116MH1989PLC052224 on 15th June, 1989 under the jurisdiction of Registrar of Companies, Mumbai, Maharashtra.

On the basis of examination and verification, we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority

The Board of Directors of the Company comprises of 8 (Eight) Directors and the Board is composed as follows:

Sr. No.	Name of the Director	DIN	Type of the Director	Status of the Director
1	Radhakrishna Kunjlal Saraswat	00015095	Independent Director	Active
2	Vinod Banwarilal Saraf	00076708	Executive Director	Active
3	Sunil Banwarilal Saraf	00076887	Non-Executive Director	Active
4	Vinati Saraf Mutreja	00079184	Managing Director (Executive Director)	Active
5	Viral Saraf Mittal	02666028	Executive Director	Active
6	Mona Mukund Bhide	05203026	Additional Director (Independent Director)	Active
7	*Ayilur Akileswaraiyer Krishnan	00086374	Independent Director	Active
8	*Chintaman Bhaskar Gokhale	00079489	Independent Director	Active

\* Both Independent Directors, MR. AYILUR AKILESWARAIYER KRISHNAN and MR. CHINTAMAN BHASKAR GOKHALE resigned on 01/04/2019 due to expiry of their terms.

This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

For **VKM & ASSOCIATES**  
Company Secretaries

(Vijay Kumar Mishra)  
Partner  
M. No. F-5023  
COP No.4279

Place: Mumbai  
Date: 11th May, 2019



# CEO / CFO Certificate

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31/03/2019 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- (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.

Mumbai  
11th May, 2019

Vinati Saraf Mutreja, MD & CEO / N. K. Goyal, CFO

## Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, Vinati Saraf Mutreja, Managing Director & CEO 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 31st March, 2019.

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, Sr. Vice President and the Company Secretary as on 31st March 2019.

On behalf of the Board of Directors

Mumba  
11th May, 2019

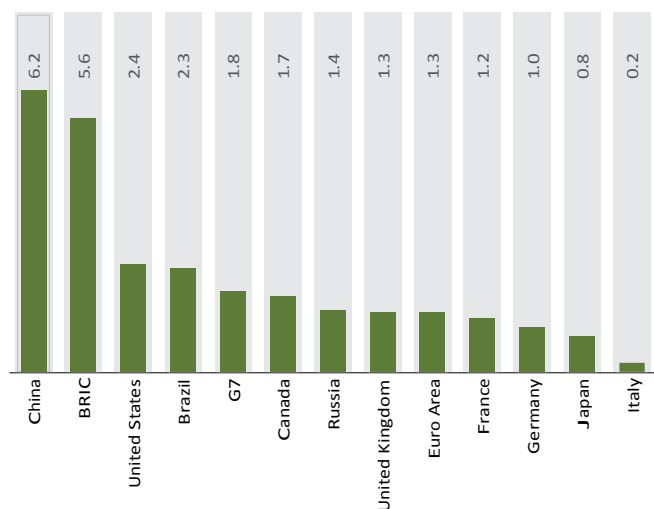
Vinati Saraf Mutreja  
Managing Director & CEO

## Annexure 'D'

# Management Discussion & Analysis (MD&A)

## Global Economy Overview

Global economy posted a growth of 3.6 % during 2018 after facing several ups and downs on account of ongoing trade tension among US and China. Both these countries continued to play a leading role, while the growth in Euro area was moderate. The stabilization of monetary policies in the advanced countries generated substantial pressures on the emerging markets. The US witnessed a sharp acceleration in growth, while the unemployment remained at a historic low and general inflation crossed the target of central bank. The euro area economies moved at different pace during the year. While Italy was impacted by political uncertainty and discussions with the European Union, Spain continued to record rapid growth despite facing unstable political situation. In the coming year, the global economy is expected to grow at 3% on account of tariff enacted by US and China. With this, higher tariff rates are expected to increase the price of imported goods for both households and firms. Further, EMDE investment growth is anticipated to remain soft, particularly in commodity exporters and countries affected by recent pressures. (Source: IMF, World Bank)



Source: Focus Economic Consensus Forecast Major Economies April 2019

## Indian Economy Overview

Indian Economy witnessed a growth of 6.8% during FY19, on account of improved customer confidence, slowing inflation and robust investment as the policy reforms materialized. While the urban consumption was supported by an enhanced credit growth, rural consumption faced headwinds on account of soft agricultural prices. On industry front, manufacturing, construction and financial, real estate and professional services sector witnessed a substantial growth on account of expansion in corporate earnings. Meanwhile, the fiscal deficit for FY19 was recorded at 3.39% of

GDP. It was marginally lower than 3.4% estimated in the revised estimates of the Budget, mainly due to increase in non-tax revenue and lower expenditure. In absolute terms, fiscal deficit at the end of the year, stood at H6.45 lakh crore as against H6.34 lakh crore in the revised estimates of Budget. Further, direct tax revenues also remained strong due to improvement in compliance procedure.

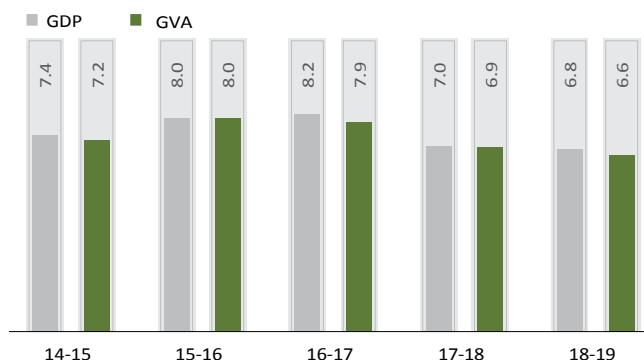
The recent pick up in the investment growth and improvement of Country's position in World Bank's Ease of Doing Business Report, is expected to boost the growth of the economy with a GDP of 7.5% in FY2020. Steps to ease agricultural distress and strong hike to procurement prices are further expected to augment rural demand in the coming fiscal. In urban areas, consumption demand is likely to receive a boost from reduction in interest rates, continued low prices for food, and declining fuel prices. Further, improved compliance procedures and measures undertaken to widen tax base are expected to boost the growth of the personal income. (Source: ADB, World Bank)

## GDP Growth in FY19

Quarterly growth in % y-o-y



Annual Growth in % y-o-y



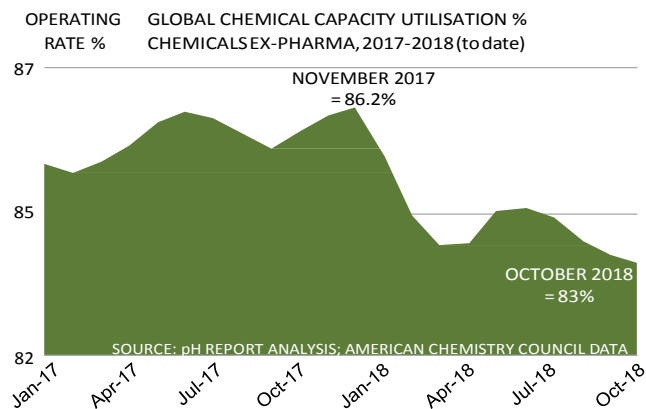
Source: MOSPI

## Global Chemical Industry

The year CY 2018, has been represented as the sixth year of an extended up cycle for the global chemical industry. This extended period of profitability has caused a surge in re-investment planning activity in North America, the Middle East, China and some parts of Asia. During October 2018, the Global Chemical Regional Index (CPRI) increased marginally at lower rate of 83.6% as compared to 85.9% in October 2017. The global chemical production increased to 3% in CY 2018, as compared to 2.5% in CY 2017. (Source: McKinsey, C&EN)

Upstream chemical industries like petrochemicals rely upon the dynamics of their main end market like the manufacturing market. While the downstream chemical industries like, cosmetics are driven by changing trends in consumer spending such as higher per capita income of individuals. Due to global economic growth and pass-through of increasing naphtha prices, the global chemical sales volume is projected to accelerate at a CAGR of 6%-8% between CY 2018-19. (Source: McKinsey, Pwc)

The speciality chemicals market has emerged as one of the most important chemical segments, globally. Adhesives & Sealants, agrochemicals, coatings and engineering thermoplastics constitute the largest market for speciality chemicals, collectively covering an estimated share of 50% of the global chemical sector. With a market size of \$850 Billion for CY 2018, the speciality chemicals sector forms a significant part of the global chemical market. During CY 2018, the global speciality chemicals production registered an increase of 3.7% as compared to 2.2% in CY 2017. Amongst the global chemical competitive countries, China and India in particular, have emerged as major chemical hubs and presently are abode to some major names in the speciality chemicals. (Source: Research and markets)



Source: BASF

## Indian Chemical Industry

The chemical industry is an essential and integral part of the growing Indian industry and is one of the oldest industries of India. This sector occupies a pivotal position to cater to basic needs and improving quality of life. It provides building blocks for downstream industries such as textiles, papers, paints, soaps, detergents, pharmaceuticals, varnish etc. The Indian chemical industry is the main stay of industrial and agricultural development of the country. This sector accounts for around 10.3 % of the total export segment of the country. It is an integral part of the Indian economy contributing and it is projected to grow at a rate of 9%, with a market size of US \$ 214 billion in FY 2019.

During FY 2019, Alkali chemicals has the largest share in the chemical industry with an approximate share of 69% of total production, while production of polymer accounts for 59% of total production of basic major petrochemicals. The market for crop protection chemicals in India is projected to be US \$ 7.5 billion for FY 2019. The acceleration in demand is driven by rapid growth in population and decrease in per capital availability of arable land, both of which result in a greater need to increase agricultural yield. (Source: Market Watch, Ministry of Chemicals and Petrochemicals, Make in India)

### Trends and their impact on key segments of chemical industry

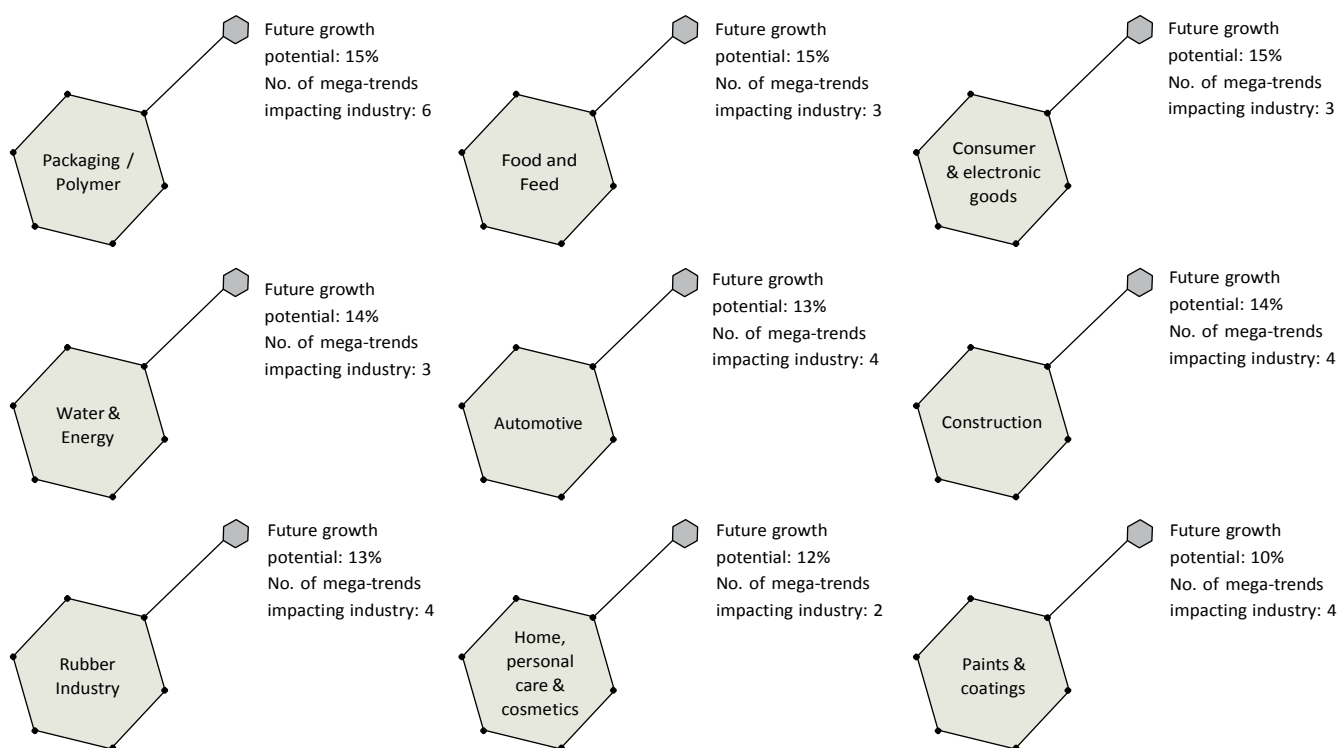
Key Trends	Bulk Chemicals	Petrochemicals	Specialty Chemicals	Fertilizers
Growing per capita consumption	✓	✓	✓	✓
Move towards greener solutions			✓	
Nanotech & Advanced polymers	✓		✓	
Disruption through 3D printing		✓	✓	
Emergence of Technology Platforms		✓	✓	
Evolving B2B consumer preferences		✓	✓	
Alternative feedstock: Creating new normal	✓	✓	✓	✓
Mega Mergers & Consolidation		✓	✓	✓
Access to strategic natural resources	✓	✓	✓	✓

Source: TSMG Analysis

## Indian Speciality Chemical Industry

Speciality chemicals are low volume but high-value compounds known as performance chemicals. The speciality chemical sector represents around 20% of the Indian chemical sector. This sector grew at a CAGR of 19% between FY 2016-19. The growth in CAGR is driven by increased adoption of speciality chemicals and their increased utilization in different product categories. Speciality chemicals can be sub-divided based on end-user industries which are driven by consumer demand (it has been highlighted in the figure below). These industries are the largest constituents of the specialty chemicals industry and cumulatively constitute over 80% of the specialty chemicals universe. (Source: Avendus.com)

## Enduse Industries in Specialty Chemicals



## Growth Drivers

The major growth drivers of the Indian chemical sector can be elated as under:

- Structural advantage:** With an increasing market and purchasing power, the domestic industry is likely to grow at over 15-19% in the coming years. Growing disposable incomes and increasing urbanization are fuelling the end consumption demand for paints, textiles, adhesives and construction which in-turn leads to substantial growth opportunity for the domestic chemical industry.
- High domestic consumption:** The chemicals industry in India is the largest consumer of its own products, consuming 33% of its output. With promising growth trends in the chemical industry, this internal consumption is likely to accelerate.
- Diversified industry:** The Indian chemicals industry has a diversified manufacturing base that produces world-class products. There is a substantial presence of downstream industries in all segments. Further, this large and expanding domestic chemicals market also boasts of a large pool of highly-trained scientific manpower.
- Export potential:** Chemicals constitute ~10.3 % of India's total exports. India already has a strong presence in the export market in the sub-segments of dyes, pharmaceuticals and agro chemicals. India exports dyes to Germany, the UK, the US, Switzerland, Spain, Turkey, Singapore and Japan. (Source: The Hindustan Times, Make in India)

## Challenges

Indian chemical sector has moved up from a small scale sector to a multi-dimensional sector, which is taking on the challenges of globalization. With innovation and development, this sector has secured a recognized position in the global chemical sector map. However, there are few factors which hinder the growth of the industry which are as under.

- **Scarcity of Raw Materials:** The raw materials utilized in organic and inorganic chemical industry are not easily available in the Indian market. Major feedstock like naphtha and natural gas are available at a very high price in the country as compared to other countries like, Middle East, China, and other South East Asian countries. Hence scarcity of feed stock makes Indian materials uncompetitive in the global chemical market.
- **Low capacity Utilization** Due to oversupply of chemical products in global markets, the prices of petrochemicals have witnessed a steep decline. Which in-turn has led the domestic chemical companies to underutilize their plant operating levels.
- **Inadequate Locational and Infrastructural Facilities:** The major Indian chemical industry has been set up along the west coast in Gujarat, while the highest demand of chemicals is in southern and eastern India. This gives rise to logistics, thus increasing the overall cost of production. In addition to that, there are several infrastructural problems faced by this sector viz, the ports do not have adequate facilities, the pipeline connectivity is quite poor, the power supply is insufficient etc.
- **Complex Regulatory Issues and High Taxes:** The heavy duty tax imposed on various raw materials is higher than the tax imposed on the finished products. This discourages the Indian chemical industry from manufacturing more chemicals because of the high price of raw materials and encourages the import of the same chemicals because of negligible taxes on import of finished products. Plus, the regulatory process is very complex with a number of certificates and licenses that are required for the setting up a chemical industry in India.  
(Source: Exportersindia.com, Hindustan Times)

## Porter's Five Forces Analysis

### 1. Competitive Rivalry:

- Indian Chemical industry is highly prone to intense rivalry amongst chemical companies.
- 100 % FDI is allowed hence, domestic chemical companies face tough competition from foreign competitors.
- International companies export chemicals at low price.

### 2. Threat of new Entrants

- Huge capital requirements and patent protection can be considered as significant barriers for the Indian Chemical Industry.
- Other barriers include R&D and personnel requirements.

### 3. Substitute Products

- Buyers are inclined to have specific chemical requirements.
- There are no direct substitutes for a specific chemical requirement.

### 4. Bargaining Power of Suppliers

- Small chemical companies rely on supplies from larger plants or petrochemical units.
- Inputs for a chemical plant cannot be easily substituted.

### 5. Bargaining Power of Customers

- Customers have multiple sources of supply.
- Chemical companies are confined by long-term contracts.
- Niche speciality chemicals have some pricing power.  
(Source: IBEF)

## Government Initiatives

The Indian government has identified chemicals as one of the key priority segments where it is looking to facilitate investment and build infrastructure. This sector has witnessed a growth of 14% in the last five years with an expected market size to reach to \$ 70 bn by FY 2020. Under the PCPIR (Petroleum, Chemical and Petrochemical Investment Regions) Policy, GoI has conceptualized PCPIRs in a conceptualized approach for promotion of Petroleum, Chemical and Petrochemical sectors in an integrated and environment friendly manner on a large scale. During H1 of FY 2019, the Ministry of Chemicals and Petroleum has set up four PCPIRs in the states of Andhra Pradesh, Gujarat, Odisha and Tamil Nadu. The PCPIRs are projected to attract an investment of ~117 bn by FY 2022 and generate employment for 34 lakh people.  
(Source: Make in India, IBEF, Hindustan Times)

## Outlook

The Indian chemical sector is on the verge of rapid growth in the coming years due to increasing population and employment opportunities in the country. The market size of the domestic agrochemical sector is expected to reach US \$ 8.1 billion by FY 2025. This acceleration in market size will be backed by the availability of cheap labour and low processing cost opportunities

to set up manufacturing for its export market. The Indian speciality chemical sector is expected to increase by about 10% annually to almost double the market size by FY 2025, driven by growth in end user industries. The upcoming PCPIRs are anticipated to provide state-of-the-art infrastructure for the Indian chemical sector. (Source: Ficci.in, Make in India)

## Company Overview

Vinati Organics Limited (VOL) is a speciality chemical company which engages in the manufacture and sale of speciality organic intermediaries and monomers primarily in India. It has a diversified chemical manufacturing base with an impeccable product portfolio mix. It is the world's largest manufacturer of Isobutyl benzene (IBB), which is the basic raw material for manufacture of the Ibuprofen bulk drug. VOL is also the largest manufacturer of 2-Acrylamido 2-methylpropane sulfonic Acid (ATBS). It has a strong market presence in over 35 countries across the globe.

## Research and Development

Process innovation has always been a key strength of VOL and a dedicated team of experienced scientists keep working towards enhancing innovative process development and enhancing process efficiencies.

## Financial Review

FY19 is one of the most remarkable years for VOL. For the first time in its history VOL crossed the figure of H1000 crores. During the year, the company grew its Total Income by a robust 50% whereas EBITDA & PAT grew spectacularly by 99% and 96% respectively.

(H in Lakhs)

	2018-19	2017-18	Y-o-Y Growth
Total Income	115,809	77,290	50%
Earnings before Interest, Depreciation and Taxes	45,357	22,795	99%
Profit Before Tax	42,524	20,337	109%
Profit After Tax	28,249	14,388	96%

	2018-19	2017-18
Total Debt Equity Ratio (X)	0.00	0.02
Current Ratio (X)	5.98	4.66
Interest Coverage Ratio (X)	512.73	184.68
Receivables Turnover Ratio (X)	5.26	4.67
Inventory Turnover Ratio (X)	7.86	7.19
Operating Profit Margin (%)	37%	26%
Net Profit Margin (%)	24%	19%
Net Worth (H Lacs)	105,128	79,666

## Outlook

The company's Butyl Phenols project is on course and revenues should start accruing from Q2FY20. In addition to this, the company's expansion of ATBS capacity from 26000 MT to 40000 MT is also expected to come on-stream from Q2FY20. With the addition of new products in and a health growth expected from the existing product line, VOL is well placed to double its revenues from its present levels over the period of next 3 years.

## Risk Mitigating Strategies

There are certain key risks associated with VOL which can be curbed by the following mitigating strategies and can be illustrated as under:

Key Risks	Nature of Risk	Mitigation Strategies
1. Availability of Skilled Personnel	<ul style="list-style-type: none"> <li>The key success of VOL depends upon its ability to attract and retain skilled personnel. Any failure in being able to do so would adversely affect the business and operations.</li> </ul>	<ul style="list-style-type: none"> <li>VOL conducts induction programmes to embrace a bottoms-up approach towards nurturing talent in a structured manner.</li> <li>The company has created processes to select, train and mentor employees to address any leadership challenge across the organisation.</li> <li>It ensures all-round learning experience through classroom and online environments, as well as project assignments.</li> <li>To retain talented and skilled employees, the company offers various incentives and growth opportunities.</li> </ul>
2. Risk of Foreign Exchange	<ul style="list-style-type: none"> <li>The company's revenues are largely generated from exports and hence denominated in foreign currency, predominantly US dollar. Given the nature of business, a large proportion of the costs are denominated in Indian rupees (INR), leading to currency exposure.</li> </ul>	<ul style="list-style-type: none"> <li>VOL procures raw materials through imports and local purchases, where local purchases track import parity price.</li> <li>Also, contracts entered into with customers have provision to share the forex risk.</li> </ul>



Key Risks	Nature of Risk	Mitigation Strategies
3. Economic Downturn	<ul style="list-style-type: none"> <li>A downturn in the economy could adversely affect demand for the products.</li> </ul>	<ul style="list-style-type: none"> <li>Products of VOL are exported to countries around the world. VOL has been actively engaged in widening its geographical presence worldwide and is also continuously expanding its product portfolio.</li> </ul>
4. Customer Retention Risk	<ul style="list-style-type: none"> <li>The company may not be able to retain its customers due to its inability to meet their increasing complex demands and requirements.</li> </ul>	<ul style="list-style-type: none"> <li>VOL enjoys robust long-term relationships with large multinational chemical companies and is a preferred partner to many of its customers.</li> <li>A strong R&amp;D focus, attractive prices, world-class infrastructure and consistent investment in scale provides a competitive value proposition to customers.</li> </ul>
5. Quality Risk	<ul style="list-style-type: none"> <li>Any divergence in the quality standards of the company's products may lead to customer and client erosion.</li> </ul>	<ul style="list-style-type: none"> <li>The quality of product is monitored rigorously by a dedicated quality assurance department and technically qualified executive.</li> <li>This department supervises quality control and quality assurance requirements and provides technical services to customers, certifies the sample specifications given by the client that are required to develop by the company and provides approval certificates for what has been produced.</li> <li>VOL holds the most stringent certifications for quality and environment like ISO 9001: 2008, ISO 14001: 2004 and ISO 18001:2007. Customers carry out an EHS audit at the Company's premises in addition to stringent quality control which strengthens its quality commitment.</li> </ul>
6. Technology Risk	<ul style="list-style-type: none"> <li>A technology-intensive business like VOL could attract technological obsolescence.</li> </ul>	<ul style="list-style-type: none"> <li>VOL continuously upgrades technical support used in its manufacturing, research and development facilities.</li> <li>The company invests in R&amp;D to keep itself updated with the technological change and replace the obsolete technology.</li> </ul>

## Annexure 'E'

# Independent Auditors' Certificate on Corporate Governance

## To The Members of Vinati Organics Limited

1. We, M. M. Nissim & Co., Chartered Accountants, the Statutory Auditors of VINATI ORGANICS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports

or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2019.
8. 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  
**M. M. NISSIM & CO.**  
 Chartered Accountants  
 Firm Reg. No.: 107122W

Barodawala Mansion,  
 B Wing, 3rd Floor,  
 81, Dr. Annie Besant Road,  
 Worli, Mumbai – 400 018.

(N. Kashinath)  
 Membership No. 036490  
 Partner  
 UDIN: 19036490AAAABD4490

Dated: 11th May, 2019

## Annexure 'F'

Statement of particulars of employees pursuant to Section 134 of the Companies Act, 2013 and forming part of the Directors' Report for the year ending March 31, 2019 employed for whole of the year.

Sr. No.	Name	Designation & nature of duties (as at March 31, 2019)	Qualification	Age (Yrs.)	Date of Joining	Experience	Gross Remuneration received (J in Lakhs)	Previous employer	Designation
1	Mr. Vinod Banwarilal Saraf	Chairman	Master of Business Administration from BITS, Pilani	69	11.12.1990	47	138.60	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2	Ms. Vinati Saraf Mutreja	Managing Director & CEO	Bachelors of Science in Economics & Engineering from University of Pennsylvania	35	20.05.2006	14	104.62	Mercer Oliver Wyman	Consultant

## Annexure 'G'

(H in Lakhs)							
1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was under-taken	Amount outlay (budget) project or programs wise  (J in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (J in Lakhs)	Cumulative expenditure up to the reporting period (J in Lakhs)	Amount spent Direct or through implementing agency
1	Rajasthani Sammelan Education Trust	Education	Mumbai, Maharashtra	122.00	122.00	122.00	Direct
2	Navkonkan Education Society	Education	Chiplun, Ratnagiri, Maharashtra	100.00	100.00	100.00	
3	Shrimad Rajchandra Aatma Tatwa Research centre	Education	Kolkatta, West Bengal	21.00	21.00	21.00	
4	School at Nangalwadi (Jeevan Vikas Kendra-Mahad) Books for Students	Education	Mahad, Raigad, Maharashtra	0.29	0.29	0.29	
5	IICT - Fellowship	Education	Hyderabad, Telangana	6.00	6.00	6.00	
6	Inparting Technical Skill	Education		2.28	2.28	2.28	
7	SRCC - Children	Medical & Health	Mumbai, Maharashtra	10.00	10.00	10.00	
8	Shree Shankara Hindu Mission	Medical & Health	Tambaram, Chennai, Tamilnadu	0.40	0.40	0.40	
9	MIDC - MMA CETP Co-op. Soc. Ltd.	Social Fund - Water Charges	MIDC, Mahad, Raigad, Maharashtra	1.44	1.44	1.44	
10	Plantation of Trees	Environment Preservation	MIDC, Mahad, Raigad & MIDC, Lote Parshuram, Ratnagiri, Maharashtra	0.13	0.13	0.13	
11	Impact Foundation India (DASRA)	Social upliftment	Mumbai, Maharashtra	16.66	16.66	16.66	
Total				280.20	280.20	280.20	

## Annexure 'H'

## Extract of Annual Return

As on financial year ended 31-03-2019

[Pursuant to Section 92(3) of the Companies act, 2013 read with [The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

## A. REGISTRATION AND OTHER DETAILS:

CIN:-	L24116MH1989PLC052224
Registration Date:	15.06.1989
Name of the Company:	<b>Vinati Organics Ltd.</b>
Category / Sub-Category of the Company	Company limited by shares - Non-government company
Address of the Registered office and contact details:	B-12 & B-13/1, MIDC Industrial Area, Mahad - 402 309, Dist. Raigad, Maharashtra, India. Tel No.: 02145-232013/14, Website: www.vinatiorganics.com, Email: shares@vinatiorganics.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd., C-101, 247 park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. Tel. No.: 022-28515606/5644, Email: support@sharexindia.com

## B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service % to total turnover of the company	% to total turnover of the company
a.	Manufacture of organic & inorganic chemical compounds n.e.c	20119	100%

## C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
a.	Nil			

## D. SHARE HOLDING PATTERN

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). Individual	14284012	0	14284012	27.795	14284012	0	14284012	27.795	0
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	23750204	0	23750204	46.215	23750204	0	23750204	46.215	0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>38034216</b>	<b>0</b>	<b>38034216</b>	<b>74.010</b>	<b>38034216</b>	<b>0</b>	<b>38034216</b>	<b>74.010</b>	<b>0</b>

**D. SHARE HOLDING PATTERN**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualifi Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>38034216</b>	<b>0</b>	<b>38034216</b>	<b>74.010</b>	<b>38034216</b>	<b>0</b>	<b>38034216</b>	<b>74.010</b>	<b>0</b>
<b>(B)</b>									
<b>(1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	3376682	0	3376682	6.571	3260756	0	3260756	6.345	-0.226
(b). Banks / FI	45	0	45	0.000	12672	0	12672	0.025	0.025
(c). Alternate Investments Funds	0	0	0	0.000	95610	0	95610	0.190	0.190
(c). Central Govt.	6895	0	6895	0.013	0		0	0.000	0.000
(d). State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0				0			0.000
(g). FIIs	1907363	0	1907363	3.711	1937260	0	1937260	3.770	0.059
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
<b>Sub-total (B)(1):-</b>	<b>5290985</b>	<b>0</b>	<b>5290985</b>	<b>10.295</b>	<b>5306298</b>	<b>0</b>	<b>5306298</b>	<b>10.330</b>	<b>0.034</b>
<b>2. Non-Institutions</b>						0	0	0	0
<b>(a). BODIES CORP.</b>									
(i). Indian	418082	9000	427082	0.831	562607	9000	571607	1.112	0.281
(ii). Overseas		0				0			0.000
<b>(b). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto H1 lakh	4831042	1267005	6098047	11.866	4795611	950505	5746116	11.181	-0.685
(ii) Individual shareholders holding nominal share capital in excess of H1 lakh	769707	0	769707	1.498	579066	0	579066	1.127	-0.371
<b>(c). Other (specify)</b>									
Non Resident Indians	183151	2750	185901	0.362	214800	4250	219050	0.426	0.064
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
NBFCs registered with RBI	0	0	0	0.000	205	0	205	0.000	0.000
Clearing Members	25275	0	25275	0.049	17263	0	17263	0.034	-0.015
IEPF	559812	0	559812	1.09	581906	0	581906	1.132	0.042
Trusts	0	0	0	0	165020	0	165020	0.321	0.321
HUF	0	0	0	0	170278	0	170278	0.331	
Foreign Boodies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>6787069</b>	<b>1278755</b>	<b>8065824</b>	<b>15.696</b>	<b>7086756</b>	<b>963755</b>	<b>8050511</b>	<b>15.665</b>	<b>-0.031</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>12078054</b>	<b>1278755</b>	<b>13356809</b>	<b>25.991</b>	<b>12393054</b>	<b>963755</b>	<b>13356809</b>	<b>25.995</b>	<b>0.003</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		0				0			0.000
<b>Grand Total (A+B+C)</b>	<b>50112270</b>	<b>1278755</b>	<b>51391025</b>	<b>100.00</b>	<b>50427270</b>	<b>963755</b>	<b>51391025</b>	<b>100.00</b>	<b>0</b>



## Shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	SUCHIR CHEMICALS PRIVATE LIMITED	23750204	46.215	0	23750204	46.215	0	0
2	VINOD SARAF	6950291	13.524	0	6950291	13.524	0	0
3	KAVITA SARAF	6207228	12.078	0	6207228	12.078	0	0
4	VINATI SARAF MUTREJA	605310	1.178	0	605310	1.178	0	0
5	VIRAL SARAF MITTAL	521183	1.014	0	521183	1.014	0	0

## Change in Promoter's Shareholding(Please specify, if there is no change) : There is no change in Promoter's Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	

## Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
1	MIRAE ASSET EMERGING BLUECHIP FUND	1061533	2.066	01-04-2018				
				08-06-2018	-14403	Sold	1047130	2.038
				15-06-2018	-27000	Sold	1020130	1.985
				01-02-2019	-7835	Sold	1012295	1.970
				08-02-2019	-9716	Sold	1002579	1.951
				15-02-2019	-5713	Sold	996866	1.940
				15-03-2019	-3566	Sold	993300	1.933
	-Closing Balance			31-03-2019			993300	1.933
2	MIRAE ASSET INDIA EQUITY FUND	488772	0.951	01-04-2018				
				17-08-2018	28805	Buy	517577	1.007
				28-09-2018	16636	Buy	534213	1.040
				12-10-2018	20900	Buy	555113	1.080
				19-10-2018	15000	Buy	570113	1.109
				02-11-2018	22000	Buy	592113	1.152
				30-11-2018	10300	Buy	602413	1.172
				01-02-2019	-7834	Sold	594579	1.157
	-Closing Balance			31-03-2019			594579	1.157
3	INVESTOR EDUCATION AND PROTECTION FUND	559812	1.089	01-04-2018				
				27-07-2018	-750	Transfer	559062	1.088
				31-08-2018	-750	Transfer	558312	1.086
				28-09-2018	-750	Transfer	557562	1.085
				30-11-2018	27344	Transfer	584906	1.138
				01-02-2019	-2250	Transfer	582656	1.134
				01-03-2019	-750	Transfer	581906	1.132
	-Closing Balance			31-03-2019			581906	1.132
4	GOLDMAN SACHS INDIA LIMITED	513330	0.999	01-04-2018				
	-Closing Balance			31-03-2019		No Change	513330	0.999

Sr. No.	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
5	TARAMATI BABUBHAI SHAH	170085	0.331	01-04-2018				
				20-07-2018	414	Buy	170499	0.332
	-Closing Balance			31-03-2019			170499	0.332
6	INDIA SMALL AND MID CAP GEMS FUND	0	0	01-04-2018				
				22-06-2018	121890	Buy	121890	0.237
				06-07-2018	31755	Buy	153645	0.299
				19-10-2018	10385	Buy	164030	0.319
	-Closing Balance			31-03-2019			164030	0.319
7	MIRAE ASSET INDIA SMALL-MID CAP FOC	200622	0.390	01-04-2018				
				20-07-2018	-20012	Sold	180610	0.351
				02-11-2018	-5005	Sold	175605	0.342
				09-11-2018	-17716	Sold	157889	0.307
				01-02-2019	-345	Sold	157544	0.307
	-Closing Balance			31-03-2019			157544	0.307
8	L AND T MUTUAL FUND TRUSTEE LTD-L A	144168	0.281	01-04-2018				
				06-07-2018	1000	Buy	145168	0.282
	-Closing Balance			31-03-2019			145168	0.282
9	RISING INDIA FOCUS FUND LIMITED	143819	0.280	01-04-2018				
	-Closing Balance			31-03-2019		No Change	143819	0.280
10	MIRAE ASSET TAX SAVER FUND	134887	0.262	01-04-2018				
				08-03-2019	177	Buy	135064	0.263
	-Closing Balance			31-03-2019			135064	0.263
11	ITPL - INVESCO INDIA MID N SMALL CA	157016	0.306	01-04-2018				
				18-05-2018	-2584	Sold	154432	0.301
				01-06-2018	-2380	Sold	152052	0.296
				08-06-2018	-872	Sold	151180	0.294
				15-06-2018	-30435	Sold	120745	0.235
				04-01-2019	1017	Buy	121762	0.237
				08-02-2019	7369	Buy	129131	0.251
	-Closing Balance			31-03-2019			129131	0.251
12	HSBC SMALL CAP EQUITY FUND	276173	0.537	01-04-2018				
				15-06-2018	-26173	Sold	250000	0.486
				27-07-2018	-760	Sold	249240	0.485
				10-08-2018	-24240	Sold	225000	0.438
				24-08-2018	-12381	Sold	212619	0.414
				31-08-2018	-5000	Sold	207619	0.404
				07-09-2018	-7619	Sold	200000	0.389
				12-10-2018	-10000	Sold	190000	0.370
				19-10-2018	-15247	Sold	174753	0.340
				02-11-2018	247	Buy	175000	0.341
				14-12-2018	-25000	Sold	150000	0.292
				11-01-2019	-25000	Sold	125000	0.243
	-Closing Balance			31-03-2019			125000	0.243
13	INDIA ACORN FUND LTD	148000	0.288	01-04-2018				
				02-11-2018	-20000	Sold	128000	0.249
				09-11-2018	-17000	Sold	111000	0.216
				21-12-2018	-14000	Sold	97000	0.189
	-Closing Balance			31-03-2019			97000	0.189
14	WHITE OAK INDIA EQUITY FUND	149884	0.292	01-04-2018				
				09-11-2018	-3717	Sold	146167	0.284
				21-12-2018	-53000	Sold	93167	0.181
	-Closing Balance			31-03-2019			93167	0.181

## Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year		
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares
1	VINOD SARAF	6950291	13.524	0	0		6950291
2	VINATI SARAF MUTREJA	605310	1.178	0	0		605310
3	VIRAL SARAF MITTAL	521183	1.014	0	0		521183

## 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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. Vinod Saraf, Chairman	Ms. Vinati Saraf, Managing Director & CEO	Ms. Viral Saraf mittal, Director - CSR & Corporate Strategy	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	138.60	104.62	59.00	302.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>138.60</b>	<b>104.62</b>	<b>59.00</b>	<b>302.22</b>
	Ceiling as per the Act	1,412.00	706.00	706.00	2,824.00

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of Directors					Total Amount
<b>1. Independent Directors</b>	<b>Mr. Girish M. Dave</b>	<b>Mr. R. K. Saraswat</b>	<b>Mr. C. B. Gokhale</b>	<b>Mr. A. A. Krishnan</b>	<b>Mrs. Mona Bhide</b>	
• Fee for attending board / committee meetings	1.75	2.75	1.75	1.75	1.00	9.00
• Commission	Nil	Nil	Nil	Nil	Nil	Nil
• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>1.75</b>	<b>2.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.00</b>	<b>9.00</b>
<b>2. Other Non-Executive Directors</b>	<b>Mr. Mohit Mutreja</b>	<b>Mr. Sunil Saraf</b>				
• Fee for attending board / committee meetings	0.25	1.25				1.50
• Commission	Nil	Nil				Nil
• Others, please specify	Nil	Nil				Nil
<b>Total (2)</b>	<b>0.25</b>	<b>1.25</b>				<b>1.50</b>
<b>Total (B)=(1+2)</b>	<b>2.00</b>	<b>4.00</b>	<b>1.75</b>	<b>1.75</b>	<b>1.00</b>	<b>10.50</b>
<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>				<b>Nil</b>
Overall Ceiling as per the Act	Nil	Nil				Nil

**C. Remuneration To Key Managerial Personnel Other Than MD / WTD / Manager**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		COO	CFO	Company Secretary		
				Mr. G. S. Singhi (upto 31.07.18)	Mr. Milind Wagh (From 01.08.18)	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83.04	64.34	10.42	17.05	174.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit					
	- others, specify...					
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	83.04	64.34	10.42	17.05	174.85

**PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description		Details of Penalty / Punishment / Compounding fees imposed		Authority [RD / NCLT/ COURT]		Authority [RD / NCLT/ COURT]	
Penalty	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>C.OTHER OFFICERS IN DEFAULT</b>									
Penalty	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Annexure 'I'

# Secretarial Audit Report

## FORM MR-3

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
VINATI ORGANICS LIMITED  
B-12 & B-13, MIDC AREA,  
MAHAD, DIST: RAIGAD,  
MAHARASHTRA

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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 extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (SEBI Act);
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable as the company has not issued any shares during the year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any shares/options to directors/employees under the said regulations during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the year under review;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back or proposed to buy-back any of its securities during the year under review

6. Other Laws applicable to the Company;

- i. The Bombay Shops and Establishments Act, 1948.
- ii. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- iii. The Employees' State Insurance Act, 1948
- iv. The Maharashtra Labour Welfare Fund Act, 1953.
- v. The Environment (Protection) Act, 1986.
- vi. The Public Liability Insurance Act, 1991
- vii. The Maharashtra Pollution and Control Board Circulars and its Standing Orders.

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

- I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

- The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes in the composition of the Board of Directors took place during the year under review
  - Ms. Vinati Saraf Mutreja was appointed as Managing Director and CEO of the Company on 27/10/2018.
  - Ms. Mona Bhide was appointed as Additional Non-Executive Independent Director on 27/10/2018.

- Mr. Girish M Dave resigned as Independent Director and Chairman of the Company on 27/10/2018.
- Mr. Vinod Saraf resigned from the post of Managing Director and was appointed as the Chairman of the Company on 27/10/2018.
- Mr. Radhakrishna Saraswat was re-appointed as Independent director through postal ballot for a further period of one year commencing from 01/04/2019.

The aforesaid mentioned changes were all carried out in conformity and compliance of 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

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.

For **VKM & Associates**  
Practicing Company Secretary

(Vijay Kumar Mishra)  
Partner  
FCS No. 5023  
C P No.: 4279

Place: Mumbai  
Date: 11/05/2019

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.



## “Annexure A”

To,  
The Member,  
VINATI ORGANICS LIMITED  
B-12 & B-13, MIDC AREA,  
MAHAD, DIST: RAIGAD,  
MAHARASHTRA

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

### Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

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 the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.

### Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **VKM & Associates**  
Practicing Company Secretary

(**Vijay Kumar Mishra**)

Partner

FCS No. 5023

C P No.: 4279

Place: Mumbai

Date: 11/05/2019

## Annexure 'K'

## Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Vinati Organics Limited (VOL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - a. Name(s) of the related party and nature of relationship: Viral Alkalies Limited (VAL), Associate Company of VOL. Contract was entered for the year 2018-19.
  - b. Nature of contracts / arrangements / transactions: The details of transactions made during the year are as under:

Name of the product	Nature of contracts	Quantity	Amount (Jin Lakhs)
Effluent Water	Sale	7746.70 K.L.	1.94
Spares	Sale	--	1.83
Sodium Potassium Carbonate Mixture	Sale	--	121.17
Total:			124.94
Potassium Carbonate	Purchase	662150 M.T.	344.03
Total:			344.03
Rent received from Immovable Property			0.25
Total:			0.25

These are only related party transaction done during the year.

## Annexure 'L'

## Evaluation of the Non-Independent Executive Directors and Directors:

Sl. No.		Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Ms. Viral Saraf Mittal	Mr. Sunil Saraf
1	How well prepared & informed is he/she for board meetings	Excellent	Excellent	Very good	Very good
2	What has been the quality & value of his/her contribution at board meetings?	Excellent	Excellent	Very good	Very good
3	What has been his/her contribution towards development of strategy management?	Excellent	Excellent	Very good	Very good
4	How well he/she communicates with fellow board members, senior management & others & manages the views of other during the board meeting?	Excellent	Excellent	Very good	Very good

## Annexure 'M'

## Business Responsibility Report for FY 2018-19

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company:	L24116MH1989PLC052224
2. Name of the Company:	Vinati Organics Limited
3. Registered address:	B-12 & B-13/1, MIDC Indl. Area, Mahad – 402309, Dist. Raigad, Maharashtra.
4. Website:	www.vinatiorganics.com
5. E-mail id:	shares@vinatiorganics.com
6. Financial Year reported:	April 1, 2018 – March 31, 2019.
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacture of organic & inorganic chemical compounds n.e.c. 20119.
8. List three key products / services that the company manufactures / provides (as in balance sheet):	Iso Butyl Benzene (IBB), 2-Acrylamido 2-methylpropane Sulfonic Acid (ATBS), Sodium salt of 2-Acrylamido 2-methylpropane Sulfonic Acid (NaATBS) & Isobutylene (IB) & others.
9. Total number of locations where business activity is undertaken by the Company:	Mahad & Lote, Parshuram.
10. Markets served by the Company:	India, USA, Australia, China, Germany, France, Italy, Japan, South Korea, Thailand, Malaysia, Latvia, México etc.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2019

Sl. No.	Particulars	FY 2018-19 J in Lacs
1	Paid up capital	1027.82
2	Total turnover (net of excise)	110757.13
3	Total profit after taxes	28248.84
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.99%

5. List of activities in which expenditure in 4 above has been incurred: As per Schedule VII of the Companies Act, 2013.

(i) CSR Activities:

- The Company had incurred H280.20 Lacs for various CSR activities such as water charges social fund CETP charges, School activities, Training, Science exhibition, Computer, Construction of shed, Water pipelines, Plantation of trees, medical & health, social and other welfare schemes.

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary company / companies? : NO
- Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? Not Applicable
- Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] NO

## SECTION D: BUSINESS RESPONSIBILITY INFORMATION

## 1. Details of Director/Directors responsible for BR:

- Details of the Director/Directors responsible for implementation of the BR policy/ policies: All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by Mr. Vinod Saraf (DIN - 00076708) Managing Director & CEO of the Company.

## b) Details of the BR head:

Sl. No.	Particulars	Details
1	DIN (if applicable)	00076708
2	Name	Mr. Vinod Saraf
3	Designation	Chairman
4	Telephone no.	022-61240444
5	Email id	vinati@vinatiorganics.com

## 2. Principle-wise (asper NVGs) BR Policy/policies (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If Yes, specify?	All the policies have been developed as a result of detailed consultation, experience and research on the best practices adopted in the industry.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board of Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5	Does the Company have a specified committee of the Board/director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?	www.vinatiorganics.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?		Y	Y	Y	Y	Y	N	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	All the policies of the Company are reviewed / evaluated internally								

## 3. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not Applicable								
3	The Company does not have financial or manpower resources available for the task	Not Applicable								
4	It is planned to be done within next 6 months	Not Applicable								
5	It is planned to be done within the next one year	Not Applicable								
6	Any other reason (please specify)	Not Applicable								

\* Please refer the explanation given for principle 7 above

## 4. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year 3-6 months

b) Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the BR Report in the Annual Report, on the website of the Company (www.vinatiorganics.com) and files the same online on NSE & BSE websites.

## SECTION E - PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 - BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The Employee Code of Conduct outlines standards of personal and professional conduct that is applicable to all employees.

Though the Company's policies cannot be enforced upon the external stakeholders including suppliers, contractors etc, the Company follows zero tolerance on any acts of bribery, corruption etc by such agencies during their dealings with the Company and or with any of its employees.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

As mentioned in the Corporate Governance Report, 25 complaints were received from investors during the year FY2018-19 and all have been resolved. Complaints/grievances from other stakeholders are dealt with on an ongoing basis by the respective departments within the Company.

### PRINCIPLE 2 - BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

#### 1. List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's main products IBB, ATBS, IB & HPMTBE are manufactured at its 2 plants based out of Mahad & Lote. It is noteworthy that both these plants have reduced effluence discharge thereby signifying our intent on having a clean and green process for our manufacturing activities. We are continuously working on further reducing these effluents for both the manufacturing plants.

#### 2. For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

The Company mainly uses Toluene, Propylene, Methly Tert Butyl Ether, Acrylonitrile, water, coal etc as resources.

#### 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company does sustainable procurement of its raw materials and mechanism is in place to procure raw materials from different sources considering availability, transportation, requirement of factories etc. This also includes transportation from suppliers to our factories.

#### 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Both the plants of the Company are setup in the backward areas of Maharashtra and over the years the Company has promoted local contractors and service providers, to the best possible extent, by patronizing them to supply / provide different services required by the Company for its day to day administration /operation.

#### 5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 percent, 5-10 percent, >10 percent). Also, provide details thereof, in about 50 words or so.

Yes. >10 percent. The Company has been proactively engaged into converting waste/residuals from its manufacturing processes into valuable and useful products thereby not only minimizing the waste generated but also creating a source of revenue to the Company. At our Mahad plant we recover pure NBB and at our Lote plant we manufacture Tertiary Butyl Acrylamide which is a co-product obtained from the manufacture of ATBS. We also recover ATFE Bottom Polymers at our Lote plant.

### PRINCIPLE 3 - BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. Please indicate the total number of employees: 1304
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis: 467
3. Please indicate the number of permanent women employees: 20
4. Please indicate the number of permanent employees with disabilities: 3
5. Do you have an employee association that is recognised by management? No employee association exists

There is no employees' association. However mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably.



**6. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

The Company does not hire child labour, forced labour or involuntary labour and no complaint has been received during the financial on any of the above subject matter.

**8. What safety and skill up-gradation training was provided in the last year?**

Safety training is imparted to each and every employee on his joining alongside conducting regular safety for everyone. Internal and external training for upgrading and enhancing the skills and knowledge level was given to different categories of employees.

**PRINCIPLE 4 - BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE, AND MARGINALISED**

**1. Has the company mapped its internal and external stakeholders?**

The Company's key stakeholders include promoters, employees, customers, business associates, recovery agents, investors, agents, suppliers, local residents and regulatory agencies. Our Investors comprise of shareholders (including Institutional Investors, corporate bodies, foreign institutional investors, foreign bodies etc.).

The Company and its employees strive to provide value-based services to the stakeholders. The Company is in constant touch with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

The CSR initiatives of the Company include engaging with disadvantaged, vulnerable and marginalized stakeholders.

**PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company abides by the principle of respect and support for human rights and adheres to the spirit of fundamental rights in its policies and systems. The Company ensures that all individuals impacted by its business shall have access to grievance redressal mechanisms. The Company conducts business in a manner that respects the rights and dignity of all people, complying with all legal requirements.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the year 25 complaints were received from investors and all the complaints have been resolved, ensuring 100% resolution of complaints as on March 31, 2018.

**PRINCIPLE 6 - BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

The Company is committed to respect, protect and make efforts towards renewable resources to avoid depletion of natural resources. The Company shall comply with legal / regulatory requirements related to environment protection, management and sustainable development. This initiative is also extended to suppliers of the Company.

**2. Does company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?**

Yes. The Company has been actively working on reducing Green House gases emission and has been successful in doing so over the years. In the past years we have reduced our CO2 emission by more than 15% by strengthening the operation of our Boiler which has led to reduced coal consumption. Company has also independent areas where energy can be recovered from the process of stream and equipment's have been selected to recover those energies which ultimately were being wasted. These particular activities will be undertaken during engineering stage for all future projects of the Company.

### 3. Does the company identify and assess potential environmental risks?

The Company has a Department wise Aspect Impact Register which facilitates the identification of the environmental aspects and impacts of the Company's activities, products and services. All the Company projects are being assisted by Govt. approved consulting committee which goes through identification and assessing potential environment risks associated with expansions / new projects of the company and company's steps being undertaken to control all negate those risks and hazards.

### 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Company found that the steam which they were using at Lote and power which has been in Lote are generated by burning of coal by Company itself for steam and MSEB for electricity. Company has undertaken mechanism by which company will generate both steam & power using Coal which absolute quantity will be less than quantities required for generation of steam & power separately. These are required in reduction of burning and resultant reduction in Green House gases.

### 5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- Company has done Energy Audits in both plants to identify excess energy consumption and means to reduce the same to the best possible extent
- Company has implemented scheme for increasing condensate recovery and recycle of DM Water in its Co-Gen Power plant so as to reduce the coal and DM Water consumption
- Company is implementing Waste Heat Recovery Based Chilled water plant to cater the chilled water requirement of Process Plant thus reducing the electricity consumption
- Company has implemented Rain Water Harvesting in both of its units to reduce the water consumption to some extent
- Company is working on installation of Solar Power System in suitable locations in the plant as well as its colonies constructed in MIDC areas

### 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

### 7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL.

## PRINCIPLE 7 - BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

### 1. Is your company a member of any trade and chamber or association?

Both our manufacturing units in Mahad and Lote are members of Mahad Manufacturing Association and Lote Parshuram Industrial Association respectively. Both the factories are also members of the Common Effluent Treatment Plant (CETP) and mutual aid program, so that in case of problem with any of the units in the industrial area help could be provided.

### 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Both the above mentioned associations are active in maintaining a continuous contact with the local and state level authorities towards a meaningful engagement translating into improvement in basic infrastructure like road, water supply, electricity etc.

## PRINCIPLE 8 - BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Requisite details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

### 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/ any other organization?

The Company undertakes CSR projects directly and the requisite details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

### 3. Have you done any impact assessment of your initiative?

The CSR team of the Company regularly does impact assessment of various initiatives undertaken by the Company.

### 4. What is your company's direct contribution to community development projects- Amount in

INR and the details of the projects undertaken?

Refer details of CSR contributions in the Annual Report on CSR forming part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The CSR team of the Company regularly does impact assessment of various initiatives undertaken by the Company.

**PRINCIPLE 9 - BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no material customer complaints outstanding as at the end of the financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

We comply with all stated requisite laws for safe handling of our products.

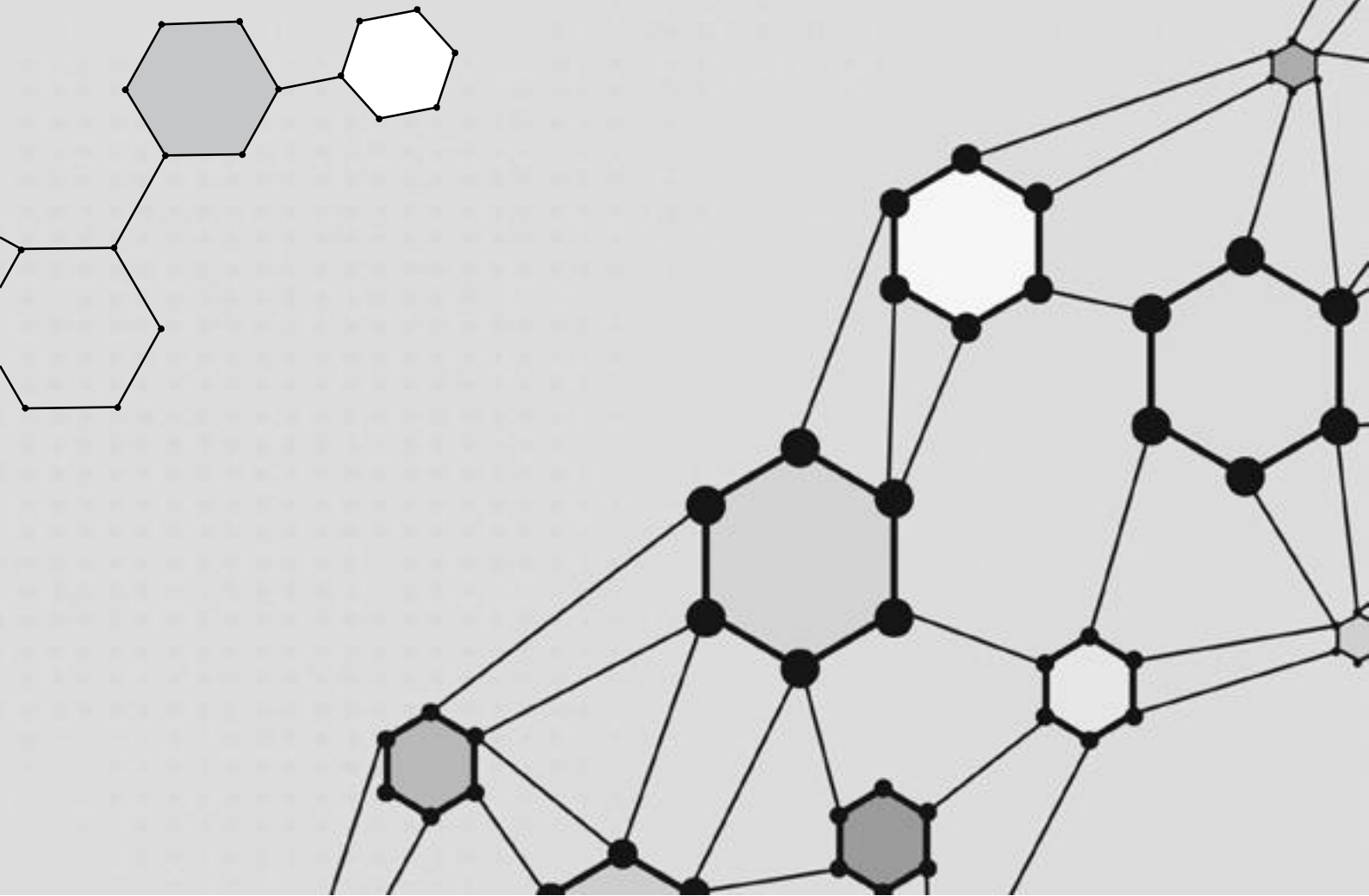
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no such instance.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company collects customer feedback through constant interactions on an on-going basis.

# Financial Statements



# Independent Auditor's Report

To the Members of **Vinati Organics Limited**

## 1. Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of VINATI ORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

## 2. Basis for Opinion

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

## 3. Key Audit Matters

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

Sr. No.	Key Audit Matters	Our Response
1	<p><b><i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</i></b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, effect of variable considerations and the appropriateness of the basis used to recognise revenue at a point in time or over a period of time.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry</li> </ol>

Sr. No.	Key Audit Matters	Our Response
		<p>and observation, re-performance and inspection of evidence in respect of operation of these controls.</p> <p>iii. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p>Our procedures did not identify any material exceptions.</p>
	<p><b>Defined benefit obligation</b></p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>

#### 4. Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Standalone financial statements and our auditor's report thereon.

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

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

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

## 5. Management's Responsibility for the Standalone Financial Statements

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## 6. Auditor's Responsibility for the audit of the Standalone financial statements

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

A further description of our responsibilities for the audit of the financial statements is included in appendix A of this auditor's report

## 7. Report On Other Legal And Regulatory Requirements

7.1 As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

7.2 As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 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 Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.



h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 28 (i) to the Standalone financial statements;
- ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

For **M. M. NISSIM & CO**  
Chartered Accountants  
(Firm Regn. No. 107122W)

**(N. Kashinath)**  
Partner  
Mem. No.: 036490  
Mumbai, 11th May, 2019

## Appendix A- Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

# Annexure “A”

To the Independent Auditor's Report of even date on the Standalone Financial Statements of **Vinati Organics Limited**

- i) In respect of its Fixed Assets:
- The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
  - As explained to us, the Assets have been physically verified by the management in accordance with a regular programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification;
  - According to the information and 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii) The company has not granted any loans, secured or unsecured during the year to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the 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 investments made during the year.
- v) The Company has not accepted any deposits within the meaning of Provisions of Section 73 to 76 of the Act, and the rules framed thereunder from the public.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the 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.
- vii) a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, undisputed amount in respect of custom duty amounting to H14.11 Lakhs have remained outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
- b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where the dispute is pending	J Lakhs
<b>CUSTOMS ACT, 1962</b>			
Customs Duty and penalty	March, 2012 to May 2012	Appellate Tribunal	45.08
<b>CENTRAL EXCISE ACT, 1944 and FINANCE ACT 1994</b>			
Service Tax	Jan., 2012 to Nov., 2012	Appellate Tribunal	2.36
	April, 2014 to June, 2016	Appellate Tribunal	1.21
Central Excise	August, 2011	Appellate Tribunal	27.01
<b>INCOME TAX, 1961</b>			
Income Tax	2008-09	Appellate Commissioner	2.62
	2009-10	Appellate Commissioner	0.86

- viii) The company has not defaulted in repayment of its loans or borrowings to banks. The Company does not have any borrowings by way of debentures.
- ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments) and term loans during the year. Hence, provisions of Clause 3(ix) of the aforesaid order is not applicable to the Company.
- x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Refer Note 28(f) as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of share or fully or partly paid convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

For **M. M. NISSIM & CO**  
Chartered Accountants  
(Firm Regn. No. 107122W)

**(N. Kashinath)**  
Partner  
Mem. No.: 036490  
Mumbai, 11th May, 2019

# Annexure “B”

To the Independent Auditor’s Report of even date on the Standalone Financial Statements of **Vinati Organics Limited**

## 1. Report On The Internal Financial Controls Over Financial Reporting Under Clause (I) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

We have audited the internal financial controls over financial reporting of VINATI ORGANICS LIMITED (“the Company”) as of March 31st, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## 2. Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

## 3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by Institute of Chartered accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## 4. Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## 5. 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.

## 6. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31st, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **M. M. NISSIM & CO**  
Chartered Accountants  
(Firm Regn. No. 107122W)

(**N. Kashinath**)

Partner

Mem. No.: 036490

Mumbai, 11th May, 2019

# Balance Sheet

as at 31st March 2019

(H in Lacs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2 (a)	47,191.10	45,329.61
Capital Work-in-Progress	2 (b)	19,117.50	3,487.96
Other Intangible Assets	0	259.81	354.86
Financial Assets;			
- Other financial assets	3	316.23	235.12
Other non-current assets	4	2,765.39	2,298.37
<b>Current Assets</b>			
Inventories	5	9,239.46	8,223.38
Financial Assets;			
- Investments	6	9,647.34	13,173.86
- Trade Receivables	7	24,397.73	17,711.38
- Cash and cash Equivalents	8	4.06	4.69
- Bank balances other than cash and cash equivalents	9	376.10	519.73
- Loans	10	5.11	105.73
- Others financial assets	3	10.40	46.33
Current Tax Assets (Net)		1,178.78	1,772.27
Other current assets	4	8,248.48	4,732.16
<b>Total Assets</b>		<b>1,22,757.49</b>	<b>97,995.45</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	SOCE	1,027.82	1,027.82
Other Equity	SOCE	1,04,100.06	78,638.53
<b>Total Equity</b>		<b>1,05,127.88</b>	<b>79,666.35</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Other Financial Liabilities	11	25.29	27.42
Deferred Tax Liabilities (Net)	12	8,456.83	8,085.53
Other non-current liabilities	13	267.55	288.18
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	14	368.26	1,520.24
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	15	148.80	107.52
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	5,162.84	6,237.29
- Other Financial Liabilities	11	761.66	663.03
Other Current Liabilities	13	1,053.80	761.02
Provisions	16	323.56	267.42
Current Tax Liabilities (Net)		1,061.02	371.45
<b>Total Liabilities</b>		<b>17,629.61</b>	<b>18,329.10</b>
<b>Total Equity And Liabilities</b>		<b>1,22,757.49</b>	<b>97,995.45</b>
Significant Accounting Policies	1		

The Notes are an integral part of these financial statements  
This is the Balance Sheet referred to in our report of even date

## For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

## N.Kashinath

Partner  
Mem.No.036490

Mumbai, Dated 11th May, 2019

For and on behalf of Board of Directors

## Millind Wagh

Company Secretary

## Nand Kishor Goyal

Chief Financial Officer

## Vinod Saraf

Chairman  
DIN: 00076708

## Vinati Saraf Mutreja

Managing Director & CEO  
DIN: 00079184



# Statement of Profit and Loss

for the year ended 31st March 2019

(H in Lacs)

Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018
<b>Income</b>			
Revenue from Contracts with Customers	17	1,10,814.01	74,220.02
Other Income	18	4,995.45	3,069.57
<b>Total Income</b>		<b>1,15,809.46</b>	<b>77,289.59</b>
<b>Expenses</b>			
Cost of materials consumed	19	52,858.97	37,023.20
Excise Duty		-	1,251.79
Purchases of Stock-in-Trade		-	28.28
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(349.08)	705.10
Employee Benefits expense	21	5,420.04	4,898.39
Finance Costs	22	94.40	121.09
Depreciation and Amortisation expense	23	2,738.56	2,336.26
Other Expenses	24	12,522.49	10,588.13
<b>Total Expenses</b>		<b>73,285.38</b>	<b>56,952.24</b>
<b>Profit Before Tax</b>		<b>42,524.08</b>	<b>20,337.35</b>
<b>Tax Expense</b>			
Current Tax		13,861.73	5,555.71
Deferred Tax		371.30	1,130.63
Earlier year Adjustments		42.21	(737.11)
<b>Total Tax Expense</b>		<b>14,275.24</b>	<b>5,949.23</b>
<b>Profit for the year</b>		<b>28,248.84</b>	<b>14,388.12</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		1.00	(18.37)
Income Tax relating to items that will not be reclassified to Profit or Loss		(0.35)	6.36
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		<b>0.65</b>	<b>(12.01)</b>
<b>Total Comprehensive Income for the Year</b>		<b>28,249.49</b>	<b>14,376.11</b>
Earnings Per Equity Share (In Rupees)	28(a)		
Basic		54.97	27.93
Diluted		54.97	27.93
Significant Accounting Policies	1		

The Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

## For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

**Millind Wagh**  
Company Secretary

**Vinod Saraf**  
Chairman  
DIN: 00076708

**N.Kashinath**  
Partner  
Mem.No.036490

**Nand Kishor Goyal**  
Chief Financial Officer

**Vinati Saraf Mutreja**  
Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 11th May, 2019

# Statement of Changes in Equity

for the year ended 31st March 2019

Equity Share Capital	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	(H in Lacs) As at 31st March 2018
	Number	Number	Amount	Amount
Authorised Share Capital	7,50,00,000	7,50,00,000	1,500.00	1,500.00
Issued Share Capital	5,13,91,025	5,15,91,025	1,027.82	1,031.82
Subscribed Share Capital	5,13,91,025	5,15,91,025	1,027.82	1,031.82
Fully Paid-up Share Capital	5,13,91,025	5,15,91,025	1,027.82	1,031.82
<b>Balance at the beginning of the year</b>	<b>5,13,91,025</b>	<b>5,15,91,025</b>	<b>1,027.82</b>	<b>1,031.82</b>
Changes in equity share capital during the year:	-	-	-	-
Bought back during the year**	-	(2,00,000)	-	(4.00)
<b>Balance at the end of the reporting year</b>	<b>5,13,91,025</b>	<b>5,13,91,025</b>	<b>1,027.82</b>	<b>1,027.82</b>

## Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The company has one class of equity shares having a par value of H2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31st March 2019		As at 31st March 2018	
	No.	%	No.	%
Vinod Saraf	69,50,291	13.52%	69,50,291	13.52%
Kavita Saraf	62,07,228	12.08%	62,07,228	12.08%
Suchir Chemicals Pvt. Ltd.	2,37,50,204	46.21%	2,37,50,204	46.21%

\*\*During the previous year ended March, 2018, the Company has effected the buyback of 2,00,000 fully paid up equity shares of the Company of face value of H2 each at a price of H1200 per equity share on proportionate basis aggregating to H2400 Lacs. The premium amount of H2396 Lacs has been adjusted against securities premium and general reserve.

# Statement of Changes in Equity (Contd..)

for the year ended 31st March 2019

(H in Lacs)

Other Equity	Reserves and Surplus					Other Comprehensive Income(OCI)	Total
	Securities Premium	General Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the comparative Year - 1st April, 2017	3,001.88	5,982.00	30.40	-	58,100.12	(145.48)	66,968.92
Profit for the comparative year ending 31st March 2018					14,388.12		14,388.12
Other Comprehensive Income for the comparative year ending 31st March 2018						(12.01)	(12.01)
<b>Total Comprehensive Income for the comparative year</b>					<b>14,388.12</b>	<b>(12.01)</b>	<b>14,376.11</b>
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							
- Final Dividend (H0.50 per share)					(257.98)		(257.98)
- Dividend Distribution Tax					(52.52)		(52.52)
Buy-Back of Shares	(2,365.60)	(34.40)	-	4.00			(2,396.00)
<b>Balance at the beginning of the year</b>	<b>636.28</b>	<b>5,947.60</b>	<b>30.40</b>	<b>4.00</b>	<b>72,177.74</b>	<b>(157.49)</b>	<b>78,638.53</b>
Profit for the Current Reporting year ending 31st March 2019					28,248.84		28,248.84
Other Comprehensive Income for the Current Reporting year ending 31st March 2019						0.65	0.65
<b>Total Comprehensive Income for the reporting year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,248.84</b>	<b>0.65</b>	<b>28,249.49</b>
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Final Dividend (H4.50 per share)					(2,312.60)		(2,312.60)
- Dividend Distribution Tax					(475.36)		(475.36)
<b>Balance at the end of the reporting year ending 31st March 2019</b>	<b>636.28</b>	<b>5,947.60</b>	<b>30.40</b>	<b>4.00</b>	<b>97,638.63</b>	<b>(156.84)</b>	<b>1,04,100.06</b>

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# Statement of Changes in Equity (Contd..)

for the year ended 31st March 2019

Nature and Purpose of each component of equity	Nature and Purpose
i. Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
ii. General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
iii. Capital Reserve	Capital Reserve represents Special capital incentive Of H30.00 Lacs & H00.40 Lacs of share forfeiture.
iv. Capital Redemption Reserve	Capital Redemption Reserve is created against the buy back of shares by the Company as per statutory requirements
v. Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

This is the Statement of Changes in Equity referred to in our report of even date

## For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

## Millind Wagh

Company Secretary

## Vinod Saraf

Chairman  
DIN: 00076708

## N.Kashinath

Partner  
Mem.No.036490

## Nand Kishor Goyal

Chief Financial Officer

## Vinati Saraf Mutreja

Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 11th May, 2019

# Cash Flow Statement

for the year ended 31st March 2019

(H in Lacs)

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
<b>A. Cash Flow from Operating Activities :</b>				
Net Profit Before Tax		42,524.08		20,337.35
Adjustment for :				
Depreciation	2,738.56		2,544.70	
Unrealised foreign exchange loss/(gain)	(484.72)		(314.71)	
Finance Cost (including fair value change in financial instruments)	94.40		110.78	
Interest Income	(140.56)		(50.40)	
Dividend Income	(469.39)		(714.09)	
Net gains on fair value changes on financial assets classified as FVTPL	(228.33)		-	
Remeasurements of Defined benefit plans	1.00		(18.37)	
Loss / (Gain) on Sale / Disposal of Fixed Assets	(2.50)	1,508.46	3.19	1,561.10
<b>Operating Profit/(Loss) Before Working Capital Changes</b>		<b>44,032.54</b>		<b>21,898.46</b>
Trade receivables	(6,459.82)		(3,339.03)	
Other Financial assets	(11.95)		(21.97)	
Other Non Current Assets	(2.17)		(282.42)	
Other Current Assets	(3,310.35)		(675.26)	
Inventories	(1,016.08)		(1,716.43)	
Trade Payable	(984.68)		3,067.55	
Provisions	56.14		(0.31)	
Other Non Current Financial Liabilities	-		(2.28)	
Other non-current liabilities	(20.63)		(52.37)	
Other Current Financial Liabilities	81.10		95.79	
Other liabilities	292.78	(11,375.66)	(231.75)	(3,158.47)
<b>Cash Generated From Operations</b>		<b>32,656.88</b>		<b>18,739.98</b>
Direct Taxes paid		(12,621.26)		(4,907.24)
<b>Net Cash from Operating Activities</b>		<b>20,035.62</b>		<b>13,832.74</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(4,512.23)		(7,252.83)	
Capital Work in Progress And Capital Advance	(16,094.39)		(407.68)	
Proceeds from sale of Fixed Assets	9.74		3,030.95	
Purchase of Investments	(4,506.59)			
Loans (Financial assets)	100.62		(10.95)	
Deposits/Balances with Banks	85.61		5.39	
Interest Income	176.63		42.74	
Dividend income	469.39		714.09	
<b>Net cash used in Investing Activities</b>		<b>(24,271.22)</b>		<b>(3,878.29)</b>

# Cash Flow Statement

for the year ended 31st March 2019

(H in Lacs)

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
<b>C. Cash Flow from Financing Activities</b>				
(Repayments) / Proceeds from Working Capital Facilities (Net)	(1,151.98)		1,288.62	
Buyback of Shares	-		(2,400.00)	
Non Current Financial Liabilities - Security Deposits	(2.13)		(1,447.44)	
Interest paid	(94.40)		(110.78)	
Dividend and Corporate Dividend Tax	(2,777.97)		(316.04)	
<b>Net Cash from Financing Activities</b>		<b>(4,026.48)</b>		<b>(2,985.64)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(8,262.08)</b>		<b>6,968.81</b>
<b>Cash and Cash Equivalents as at 31st March, 2018</b>		<b>13,178.55</b>		<b>6,209.74</b>
- Cash and cash Equivalents		4.69		26.91
- Highly Liquid Investments (Note 6)		13,173.86		6,182.83
<b>Cash and Cash Equivalents as at 31st March, 2019</b>		<b>4,916.47</b>		<b>13,178.55</b>
- Cash and cash Equivalents		4.06		4.69
- Highly Liquid Investments (Note 6)		4,912.41		13,173.86

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilities

		31.03.2019		31.03.2018
<b>Opening Balance</b>		<b>1,703.61</b>		<b>1,867.97</b>
Cash inflow /(outflow) of current borrowings		(1,151.98)		1,288.62
Other changes		-		(1,447.44)
Changes in unpaid dividend		9.99		(5.54)
<b>Closing Balance</b>		<b>561.61</b>		<b>1,703.61</b>

This is the Cash Flow statement referred to in our report of even date

**For M.M.Nissim & Co**Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

**Millind Wagh**  
Company Secretary**Vinod Saraf**  
Chairman  
DIN: 00076708**N.Kashinath**  
Partner  
Mem.No.036490**Nand Kishor Goyal**  
Chief Financial Officer**Vinati Saraf Mutreja**  
Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 11th May, 2019

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 1 : Significant Accounting Policies

### A General Information

The Company was established in 1989 and is engaged in manufacturing of speciality chemicals. The manufacturing facilities are located at Mahad and Lote Parashuram, Maharashtra. The company is listed on Bombay Stock Exchange and National Stock Exchange. The registered office is located at B-12 & B-13/1, MIDC Indl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.

### B Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these financial statements are set out in Para C below. These policies have been consistently applied to all the years presented:

#### i Statement of Compliance

These Separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

#### ii Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

- a) Certain financial assets/liabilities measured at fair value and
- b) Any other item as specifically stated in accounting policy.

The Financial Statement are presented in Indian Rupee ('INR') and all values are rounded to the Rupee in Lacs, unless otherwise stated.

Whenever the company changes the presentation or classification of items in its financial statements materially, the company reclassifies comparative amounts, unless impracticable. No such material reclassification has been made during the year.

The financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with a resolution of the board of directors on 11th May, 2019.

#### iii Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The few critical estimations and judgments made in applying accounting policies are:

#### Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain intangible assets based on technical advice which considered the nature of the asset, the usage of the asset and anticipated technological changes. The company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

#### Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the company is required to estimate the cash flows to be generated from using the asset. The fair value of an assets is estimated using a valuation technique where observable prices are not available. Further, the discount rate used for value in use calculations includes an estimate of risk assessment specific to the asset.



# Notes to the Financial Statements for the year ended 31st March 2019

## Impairment of Financial Assets:

The company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 month PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

## Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## C Summary of Significant Accounting Policies

### 1 Property, Plant and Equipment

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except freehold land which is not depreciated. Cost includes purchase price (after deducting trade discount / rebate), import duties, non-refundable duties and taxes, cost of replacing the component parts, borrowing costs (as per Sl. no. 14 below) and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimates of the cost of dismantling/removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently individually which meets the recognition criteria of PPE are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced are derecognized when no future economic benefits are expected from their use or upon disposal. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised.

# Notes to the Financial Statements for the year ended 31st March 2019

## 3 Intangible Assets

Description of the Asset	Estimated Useful Life
<b>Tangible:</b>	
Building – Factory	30 Years
Other than factory buildings	60 Years
Plant and Equipment	5-20 Years
Furniture and Fixtures	10 Years
Computer Servers	6 Years
Computers	3 Years
Office Equipment	5 Years
Other Assets, viz., Air Conditioners	5 Years
Vehicles	8 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013 except Plant and Machinery, Lab equipments and Electrical Installations which are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset and anticipated technological changes. Depreciation on all assets is provided on straight line basis.

Depreciation on property plant and equipment added/discharged during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate

## 2 Research and Development Assets

The company undertakes Research and Development activities for development of new and improved products. All expenditure incurred during Research and Development are analysed into research phase and development phase. The company recognises all expenditure incurred during the research phase in the profit or loss whereas the expenditure incurred in development phase are presented as Capital Work in Progress till the time they are available for use in the manner intended at which moment they are treated as Property, Plant and Equipment and depreciated over their estimated useful life. Revenue expenditure on Research and Development is recognized as an expense in the period in which it is incurred.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Technical Know-how acquired separately is treated as intangible assets and amortised over a period of 10 years on straight-line method over the estimated useful economic life.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets and is amortised over a period of 6 years on straight-line method over the estimated useful economic life.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## 4 Impairment of tangible (PPE) and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss

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

# Notes to the Financial Statements for the year ended 31st March 2019

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

## 5 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit and Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

## 6 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use

the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item (i.e. PPE), are generally capitalised at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of minimum lease payments. Where the company has right to sell the leased asset at fair value on the date of sale, it is considered that substantially all the risks and benefits incidental to ownership of the leased items have been transferred. Lease payments are apportioned between finance charges and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss over the period of lease on straight line basis other than those cases where the escalations are linked to expected general inflation in which case they are charged on contractual terms.

## 7 Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grants in the form of non-monetary assets are recognised at fair value and presented as deferred income which is recognized in the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

Government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit and Loss in the period in which they become receivable. Grants related to income are presented under other income in the Statement of Profit and Loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

# Notes to the Financial Statements for the year ended 31st March 2019

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The grant set up as deferred income is recognised in the Statement of Profit and Loss on a systematic basis.

## 8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

## 9 Foreign Currency Transactions

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at

the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Effective 1st April, 2018, the Company has adopted Appendix B to Ind AS 21 – Foreign Currency Transactions and Advance Consideration which clarify the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

## 10 Share capital and Securities Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium

## 11 Dividend Distribution to Equity Shareholders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

## 12 Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

## 13 Revenue Recognition and Other Income

The company derives revenues primarily from sale of goods comprising of speciality chemicals.

Effective 1st April, 2018, the Company has applied Ind AS 115 "Revenue from contracts with customers"

# Notes to the Financial Statements for the year ended 31st March 2019

which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method and the comparative information in the statement of profit and loss is not restated – i.e., the comparative information continues to be reported under Ind AS 18. Refer Note 1(c) – Significant accounting policies – Revenue recognition in the Annual Report of the Company for the year ended 31st March, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Use of significant judgements in revenue recognition

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount

of consideration or variable consideration with elements such as turnover discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Sale of scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

Export incentives are recognised as income of the year on accrual basis. In case of utilisation for Import purpose the same is recognised as raw material cost in the year of import.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

## 14 Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing

# Notes to the Financial Statements for the year ended 31st March 2019

costs are recognised as expense in the period in which they are incurred.

The company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 15 Employee Benefits

### Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### Post-employment benefits

The Company provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund & national pension scheme

### Defined benefits plans

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent

actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund and National Pension Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

## 16 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income

### Current tax

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current year is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.



# Notes to the Financial Statements for the year ended 31st March 2019

## Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

## 17 Earnings per Share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

## 18 Current versus non-current classification

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

## 19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly



# Notes to the Financial Statements for the year ended 31st March 2019

transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

## 20 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries and joint ventures, investment other than equity shares, loans to employee / others, security deposit etc.

#### Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value. The financial assets not recorded at fair value through profit or loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost

# Notes to the Financial Statements for the year ended 31st March 2019

- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

## Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

## Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

## Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive

income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

## Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

## Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

# Notes to the Financial Statements for the year ended 31st March 2019

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

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

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

## b) Financial Liabilities

The Company's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

### Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

### Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

#### Financial Liabilities classified as Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on

acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities classified as Fair value through Profit and Loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

### Derecognition

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

### Offsetting of financial instruments

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

### Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

# Notes to the Financial Statements for the year ended 31st March 2019

## D Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on 30th March, 2019 through companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new IND AS and amendments to IND AS which are applicable on 1st April 2019.

### IND AS 116 – Leases

IND AS 116 Leases will replace the existing lease standard, IND AS 17 and related interpretations

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.

Currently operating lease expenses are charged to statement of profit and loss account. As regards accounting requirements of lessor are concerned IND AS 116, Substantially carries forward the requirements in IND AS 17.

In accordance with the standard the company will elect not to apply the requirements of IND AS 116 to short term leases for which the underlying asset is of low value. The company is currently evaluating the effect of adoption as on the transition date.

### Amendments to existing issued Ind AS

The MCA as also carried out amendments to the following accounting standards

### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

The amendment needs to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of

tax treatments, that the companies have used or plan to use in their income tax fi which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The company is proposing to use retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application without adjusting comparatives. The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., 1st April, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

### Amendment to Ind AS 12 – Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Company is currently evaluating the effect of this amendment on the standalone financial statements.

### Amendment to Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments require an entity to use updated assumptions to determine current service and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company does not have any impact on account of this amendment.

### Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate

The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendments on the separate and consolidated financial statements.

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 2 (a) Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Air Conditioners	Total
<b>Gross Block</b>									
At cost as at 31st March 2017	-	15,299.15	32,430.32	311.76	226.52	29.14	32.68	31.54	48,361.11
Additions	7.61	1,116.36	3,280.85	54.17	23.03	2.32	4.55	8.44	4,497.33
Disposals /adjustments (Refer note ii below)			(3,182.43)	(0.20)	(13.68)				(3,196.31)
At cost as at 31st March 2018	7.61	16,415.51	32,528.74	365.73	235.87	31.46	37.23	39.98	49,662.13
Additions	18.57	1,788.03	2,631.57	39.77	13.13	1.16	9.68	4.39	4,506.30
Disposals /adjustments			(3.95)	-	(9.39)				(13.34)
At cost as at 31st March 2019	26.18	18,203.54	35,156.36	405.50	239.61	32.62	46.91	44.37	54,155.09
<b>Depreciation Block</b>									
Accumulated depreciation/amortisation as at 31st March 2017		401.43	1,534.42	45.92	38.18	10.75	9.52	11.06	2,051.28
Depreciation / Amortisation for the year		468.43	1,858.07	48.17	38.22	10.05	9.93	10.53	2,443.40
Disposals /adjustments (Refer note ii below)			(157.91)		(4.26)				(162.17)
Accumulated depreciation/amortisation as at 31st March 2018	-	869.86	3,234.58	94.09	72.14	20.80	19.45	21.59	4,332.52
Depreciation / Amortisation for the year		524.82	2,009.98	52.11	34.78	2.31	8.75	4.83	2,637.58
Disposals /adjustments			(0.87)		(5.23)				(6.10)
Accumulated depreciation / Amortisation as at the 31st March 2019	-	1,394.68	5,243.69	146.20	101.69	23.11	28.20	26.42	6,963.99
<b>Net Block</b>									
As at 31st March 2017	-	14,897.72	30,895.90	265.84	188.34	18.39	23.16	20.48	46,309.83
As at 31st March 2018	7.61	15,545.65	29,294.16	271.64	163.73	10.66	17.78	18.39	45,329.61
As at 31st March 2019	26.18	16,808.86	29,912.67	259.30	137.92	9.51	18.71	17.95	47,191.10

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 2 (b). Capital Work-in-Progress

Particulars	(H in Lacs) Total
As at 31st March 2017	738.23
As at 31st March 2018	3,487.96
As at 31st March 2019	19,117.50

## Note 2 (c) Intangibles

Particulars	Computer Software	Technical Know How	Total
<b>Gross Block</b>			
At cost as at 31st March 2017	104.37	453.50	557.87
Additions	5.75	-	5.75
Disposals /adjustments (Refer note ii below)	-	-	-
At cost as at 31st March 2018	110.12	453.50	563.62
Additions	5.93	-	5.93
Disposals /adjustments	-	-	-
At cost as at 31st March 2019	116.05	453.50	569.55
<b>Depreciation Block</b>			
Accumulated depreciation / amortisation as at 31st March 2017	26.64	80.83	107.47
Depreciation / Amortisation for the year	34.48	66.81	101.29
Disposals /adjustments (Refer note ii below)	-	-	-
Accumulated depreciation / amortisation as at 31st March 2018	61.12	147.64	208.76
Depreciation / Amortisation for the year	22.23	78.75	100.98
Disposals /adjustments	-	-	-
Accumulated depreciation / Amortisation as at the 31st March 2019	83.35	226.39	309.74
<b>Net Block</b>			
As at 31st March 2017	77.73	372.67	450.40
As at 31st March 2018	49.00	305.86	354.86
As at 31st March 2019	32.70	227.11	259.81

### Notes:

- i) The Company used carrying amount of PPE as on transition date (i.e. 01.04.2016) as deemed cost for an item of Property, Plant and Equipment And Intangible Assets. The disclosure with respect to value of gross block, accumulated depreciation and net block of PPE accounted as deemed cost existing at the end of current financial year are as under:

Particulars	Gross Block	Accumulated depreciation / amortisation as at 31st March 2019	(H in Lacs) Net Block
Buildings	14,753.53	2,389.75	12,363.78
Plant and equipment	27,697.03	10,972.63	16,724.40
Furniture and fixtures	517.13	332.56	184.57
Office equipment	50.91	48.93	1.98
Computers	124.72	117.68	7.04
Air Conditioners	89.73	81.26	8.47
Vehicles	222.58	179.51	43.07
	43,455.63	14,122.32	29,333.31

# Notes to the Financial Statements for the year ended 31st March 2019

(H in Lacs)

Particulars	Gross Block	Accumulated depreciation / amortisation as at 31st March 2019	Net Block
Computer Software	181.66	151.85	29.81
Technical Know How	770.80	464.94	305.86
	<b>952.46</b>	<b>616.79</b>	<b>335.67</b>

- ii. The disposal/adjustment includes an amount of H3173.38 Lacs, representing reimbursement towards capital contribution for specific items of plant And equipment incurred by the Company during the earlier and current financial year. Consequently, the Company has written back a sum of H208.44 Lacs representing depreciation for the year ending 31st March, 2017 of H157.25 Lacs and for the year ending 31st March, 2016 of H51.19 Lacs.
- iii. During the year, the company has capitalised the following expenses of revenue nature to the cost of property, Plant & Equipment/ Capital Work-In-Progress;

(H in Lacs)

Particulars	31-Mar-19	31-Mar-18
Legal and Professional Charges	27.90	14.84
Travelling Expenses	0.94	13.76
Rates & Taxes	20.05	18.31
Insurance Charges	13.11	7.03
Others	1.48	4.83
	<b>63.48</b>	<b>58.77</b>

## Note 3 Other Financial Assets

(H in Lacs)

Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Bank deposits with more than 12 months maturity	114.00	55.98	-	-
Others;				
Security Deposits	202.23	179.14	-	-
Interest Accrued on Loans and Deposits	-	-	10.40	35.19
Others	-	-	-	11.14
<b>Total</b>	<b>316.23</b>	<b>235.12</b>	<b>10.40</b>	<b>46.33</b>



# Notes to the Financial Statements for the year ended 31st March 2019

## Note 4 Other Assets

Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital Advances	1,714.53	1,249.68		
Advances other than capital advances;				
Security Deposits	6.99	6.99	291.21	193.67
Advances to suppliers			859.43	467.21
<b>Sub Total</b>	<b>1,721.52</b>	<b>1,256.67</b>	<b>1,150.64</b>	<b>660.88</b>
Others				
Balance with Statutory authorities	-	-	4,163.13	1,826.58
Advances recoverable in cash or kind	-	-	2,852.12	2,140.17
Prepaid Expenses	1,043.87	1,041.70	56.86	67.52
Others			25.73	37.01
<b>Sub Total</b>	<b>1,043.87</b>	<b>1,041.70</b>	<b>7,097.84</b>	<b>4,071.28</b>
<b>Total</b>	<b>2,765.39</b>	<b>2,298.37</b>	<b>8,248.48</b>	<b>4,732.16</b>

## Note 5 Inventories

Particulars	(H in Lacs)	
	As at 31st March 2019	As at 31st March 2018
Raw Materials	1,154.45	1,167.33
Raw Materials in transit	2,148.93	2,365.81
Work-in-progress	761.50	992.55
Finished goods	1,559.99	979.86
Stores and spares	3,614.59	2,717.83
<b>Total</b>	<b>9,239.46</b>	<b>8,223.38</b>

## Note 6 Investments

Particulars	(H in Lacs)	
	As at 31st March 2019	As at 31st March 2018
<b>Current Investments</b>		
<b>Fully paid up - Unquoted - Non Trade</b>		
i) In Mutual Fund Units: (at fair value through Profit or Loss )		
Income Plan: Growth Option	4,912.41	11,770.21
ii) In Non Convertible Debentures: (at fair value through Profit or Loss )	4,734.93	
Quoted Fully Paid Up		
i) In Equity Instruments: (at fair value through Profit or Loss)	-	1,403.65
<b>Total</b>	<b>9,647.34</b>	<b>13,173.86</b>
Aggregate Market value of quoted investments	-	1,403.65
Aggregate value of unquoted investments	9,647.34	11,770.21

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 7 Trade Receivables

Particulars	(H in Lacs)	
	As at 31st March 2019	As at 31st March 2018
Trade receivables		
Unsecured, considered good	24,397.73	17,711.38
<b>Total</b>	<b>24,397.73</b>	<b>17,711.38</b>

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

## Note 8 Cash and Cash Equivalents

Particulars	(H in Lacs)	
	As at 31st March 2019	As at 31st March 2018
Balances with Banks (of the nature of cash and cash equivalents)	2.01	2.63
Cash on hand	2.05	2.06
<b>Total</b>	<b>4.06</b>	<b>4.69</b>

## Note 9 Bank Balances other than Cash and Cash Equivalents

Particulars	(H in Lacs)	
	As at 31st March 2019	As at 31st March 2018
Deposits with original maturity of more than 3 months but less than 12 months	182.75	336.37
Others:		
Unclaimed Dividend Account	193.35	183.36
<b>Total</b>	<b>376.10</b>	<b>519.73</b>

## Note 10 Loans (Unsecured, considered good)

Particulars	(H in Lacs)	
	As at 31st March 2019	As at 31st March 2018
Loans and Advances to employees	5.11	105.73
<b>Total</b>	<b>5.11</b>	<b>105.73</b>

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 11 Other Financial Liabilities

Equity Share Capital	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Unclaimed dividends	-	-	193.35	183.36
Others :				
Security Deposit	25.29	27.42	-	-
Employee benefits			82.40	185.86
Liabilities for expenses			485.91	293.81
<b>Total</b>	<b>25.29</b>	<b>27.42</b>	<b>761.66</b>	<b>663.03</b>

## Note 12 Deferred Tax Liabilities - (Net)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Deferred Tax Liabilities (Net);</b>		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	8,619.84	8,218.29
- Unrealised gain/(loss) on FVTPL debt Mutual Funds And equity instruments	27.04	(63.61)
<b>Deferred Tax Asset:</b>		
- Accrued Expenses allowable on Actual Payments	(160.65)	(69.15)
- Unabsorbed Capital Losses	(29.40)	-
<b>Total</b>	<b>8,456.83</b>	<b>8,085.53</b>

## Note 13 Other Liabilities

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Contract Liabilities	-	-	77.94	196.09
Others;				
Statutory Dues	-	-	267.44	198.59
Liabilities for expenses	-	-	707.95	357.78
Others	267.55	288.18	0.47	8.56
<b>Total</b>	<b>267.55</b>	<b>288.18</b>	<b>1,053.80</b>	<b>761.02</b>

During the year ended 31st March, 2019, the Company recognised revenue of H196.03 Lakhs ( Previous year H20.25 Lakhs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under ;

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
As at beginning of the year	196.09	64.57
Recognised as revenue from contracts with customers	-5,760.00	-2,928.07
Advance from customers received during the year	5,641.85	3,059.59
<b>Balance at the close of the year</b>	<b>77.94</b>	<b>196.09</b>

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 14 Borrowings

(H in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>CURRENT</b>		
<b>Secured</b>		
Loans repayable on demand		
- from banks	368.26	1,520.24
<b>Total</b>	<b>368.26</b>	<b>1,520.24</b>

Nature of Borrowings	Interest Rate
<b>Working Capital Advances from Banks</b>	
Loans repayable on demand is secured by hypothecation of inventories, all the present and future book debts and other receivables, first charge on all present and future Property, Plant And Equipment at Mahad Works and residential building at Mahad and second charge on all property, plant And equipment situated at Lote Works and personal guarantee of Managing Director, Mr. Vinod Saraf.	Rupee Loan carries interest ranging from 8.70% to 9.00% (Previous Year 8.30% to 9.25%.) Export Bill Discounting Facility (Pre And Post Shipment) carries interest Nil (Previous Year - ranging from 50bps to 200 bps +2/3 months Libor)

## Note 15 Trade Payables

(H in Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Outstanding due of Micro and Small Enterprises (Refer Note 28(d))	148.80	107.52
Outstanding due of Creditors other than Micro and Small Enterprises	5,162.84	6,237.29
<b>Total</b>	<b>5,311.64</b>	<b>6,344.81</b>

## Note 16 Provisions

(H in Lacs)

Particulars	Current	
	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits (Refer Note 28(g))	323.56	267.42
<b>Total</b>	<b>323.56</b>	<b>267.42</b>

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 17 Revenue From Contracts With Customers

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Revenue From Operations		
Sale Of Products	1,10,757.13	74,122.77
Other Operating Revenues:		
Scrap Sales	56.88	97.25
<b>Total</b>	<b>1,10,814.01</b>	<b>74,220.02</b>

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. (Refer Note 28(c))

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Gross Sales (Contracted Price)	1,11,607.95	74,820.77
Reductions towards variable consideration (Turnover discount)	(850.82)	(698.00)
<b>Revenue recognised</b>	<b>1,10,757.13</b>	<b>74,122.77</b>

## Note 18 Other Income

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest Income	140.56	50.40
Dividend Income	469.39	714.09
Net gain on fair value changes on financial assets classified as FVTPL	229.60	
Export Incentives	1,978.35	1,367.42
Gain on Foreign Exchange Translations	2,053.06	809.59
Other Non-Operating Income;		
Miscellaneous Income	124.49	128.07
<b>Total</b>	<b>4,995.45</b>	<b>3,069.57</b>

## Note 19 Cost of Materials consumed

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening Stock of Raw Materials	3,533.14	1,226.39
Purchases during the year	52,629.21	39,329.95
Closing Stock of Raw Materials	(3,303.38)	(3,533.14)
<b>Total</b>	<b>52,858.97</b>	<b>37,023.20</b>

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 20 Changes In Inventories Of Finished Goods And Work-In-Progress

(H in Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Closing Stock:		
Finished Goods	1,559.99	979.86
Work-in-Progress	761.50	992.55
	<b>2,321.49</b>	<b>1,972.41</b>
Less: Opening Stock:		
Finished Goods	979.86	1,820.37
Work-in-Progress	992.55	1,055.97
	<b>1,972.41</b>	<b>2,876.34</b>
Differential Excise Duty on Opening and Closing stock of Finished Goods	-	(198.83)
<b>Total</b>	<b>(349.08)</b>	<b>705.10</b>

## Note 21 Employee Benefits Expense

(H in Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries and Wages	4,842.13	4,349.53
Contribution to provident, gratuity and other funds	429.56	403.59
Staff welfare expenses	148.35	145.27
<b>Total</b>	<b>5,420.04</b>	<b>4,898.39</b>

## Note 22 Finance Costs

(H in Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest on Working Capital Facilities	83.12	110.78
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	11.28	10.31
	<b>94.40</b>	<b>121.09</b>

## Note 23 Depreciation and Amortisation expense

(H in Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation on Property, Plant And Equipment	2,637.58	2,443.41
Amortisation on Intangible Assets	100.98	101.29
Depreciation write back of Earlier Years (Refer Note 2(ii))	-	(208.44)
	<b>2,738.56</b>	<b>2,336.26</b>

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 24 Other Expenses

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Stores and Spares Consumed	3,238.17	2,658.32
Power and Fuel	5,443.88	4,650.96
Manufacturing Expenses	1,164.71	1,008.95
Rent	14.77	17.69
Rates and Taxes	85.03	92.89
Insurance	168.88	137.42
Printing and Stationery	24.98	26.08
Water Charges	191.92	139.69
Share Buyback expenses	-	57.32
Repairs and Renewals:		
Buildings	210.67	223.61
Plant and Machinery	331.19	255.20
Other Assets	74.20	57.30
Travelling and Conveyance	185.44	178.87
Communication Expenses	25.78	23.66
Corporate Social Responsibility Expenses	280.20	69.18
Legal and Professional Fees	285.81	107.50
Vehicle Expenses	68.52	67.81
Auditors' Remuneration:		
As Auditors:		
Audit fee	6.50	6.50
Other Services	2.00	2.00
Cost Auditors Remuneration:		
Audit fee	0.60	0.60
Directors' Fees	10.50	9.77
Directors' Travelling Expenses	14.14	9.12
Security Expenses	110.14	102.14
Commission	249.63	156.54
Loss on Sale of Assets	-	3.19
Loss on sale of Investments	36.68	5.27
Net loss on fair value changes on financial assets classified as FVTPL	-	182.03
Bank Charges	123.42	96.39
Miscellaneous Expenses	174.73	242.13
<b>Total</b>	<b>12,522.49</b>	<b>10,588.13</b>

## Note 25

### A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

As at 31st March, 2019, the Company has only one class of equity shares and has no long term debt. Consequent to such capital structure, there are no externally imposed capital requirements. The Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

### B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these



# Notes to the Financial Statements for the year ended 31st March 2019

financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

## i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings, investments and foreign currency receivables, payables and borrowings.

### Interest Rate Risks

The Company borrows funds in Indian Rupees to meet short term funding requirements. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2019 would have been decreased/increased by H3.68 Lacs.

### Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

		Amount (In Million)		(Rupees in Lakhs)	
Unhedged Short Term Exposures :		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Financial Assets	USD	26.00	19.71	17,978.48	12,848.60
	EURO	1.52	1.00	1,180.50	804.57
Financial Liabilites	USD	3.76	4.02	2,603.15	2,622.54
	EURO	0.08	0.56	64.28	449.62
Net exposure	USD	22.23	15.69	15,375.33	10,226.06
	EURO	1.44	0.44	1,116.22	354.95

The company is mainly exposed to changes in US Dollar. The sensitivity to a 0.25% to 1% increase or decrease in US Dollar against INR with all other variables held constant will be H153.75 Lacs (Previous Year - 102.26 Lacs)

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

### Derivatives- Forward Contracts

The Company enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of firm commitments. The derivative that is either not designated as hedge or is so designated but is ineffective is categorised as a financial asset or liability at fair vale through Profit or Loss.

The outstanding position and exposures are as under :

		Amount(In Million)		(H in Lacs)	
Particulars	Currency	Amount(In Million)	RupeesLacs	Nature	Cross Currency
Forward Contract	USD	10.60	7,372.00	Export Sales	INR
	EURO	0.25	193.70	Export Sales	INR

# Notes to the Financial Statements for the year ended 31st March 2019

## Price Risks

More than two-third of the Company's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Company's investments in Unquoted Securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The company manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31<sup>st</sup> March 2019 the investments in mutual funds/Debt Instruments amounts to H9647.34 Lacs. A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional H96.47 Lacs on either side in the statement of profit and loss.

## ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Debt Funds and Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks. Investments in mutual funds are primarily debt funds, which have high safety ratings and are monitored on a monthly basis and the Company is of the opinion that its investments in mutual funds and debt securities have low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also has an external credit risk insurance cover with ECGC Policy. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March 2019 is 0.01% of the total trade receivables. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

## iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit/Debt Mutual Funds which carry low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash infl w and outfl w and all liquidity requirements are planned.

# Notes to the Financial Statements for the year ended 31st March 2019

## Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

Particulars	Refer Note	(H in Lacs)			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	Note 14	368.26			
		(1,520.24)			
Trade Payable	Note 15	5,311.64			
		(6,344.81)			
Other Non Current Financial Liabilities	Note 11	-	25.29		-
		-	(27.42)		
Employee Benefit/ Expense liabilities	Note 11	568.31			
		(479.68)			
Unclaimed dividends	Note 11	193.35			
		(183.36)			

Figures in brackets are in respect of Previous year

## Note 26 Fair Values and Hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Hierarchy	Carrying Value		Fair Value	
		As at	As at	As at	As at
		31st March 2019	31st March 2018	31st March 2019	31st March 2018
Financial Assets					
- Investments	Level One	9,417.74	13,355.89	9,647.34	13,173.86
- Other Assets	Level Three	341.96	272.13	316.23	235.12

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Investments in Mutual Funds and Debt Securities are based on NAV at the reporting date.
2. Non current financial assets measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
3. The Company enters into Derivative financial instruments with counterparties principally with Banks with investment grade credit ratings. The foreign exchange forward contracts are valued using valuation techniques which employs the use of market observable inputs namely, Marked-to-Market.

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 27 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Accounting Profit before Income Tax	42,524.08	20,337.35
At statutory income tax rate of 34.944% (31st March 2018: 34.608%)	14,859.61	7,038.35
Additional deduction on Research and Development expense	-	(221.28)
Effect of exempt income	(1,209.36)	(1,364.74)
Effect of non-deductible expenses	211.83	97.02
Others	(0.35)	6.36
<b>Total</b>	<b>13,861.73</b>	<b>5,555.71</b>

## Note 28 Additional/Explanatory Information

### a) Earnings Per Share

Particulars		(H in Lacs)	
		Year ended 31st March 2019	Year ended 31st March 2018
Profit after taxation	H Lacs	28,248.84	14,388.12
Weighter Average Number of equity shares (Face Value H2/-)	Nos.	5,13,91,025	5,15,08,286
Earnings per share	H	54.97	27.93

- b) The Company has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the statement of profit and loss. The Company does not have any non-cancellable leasing arrangements. The lease rentals recognised in the Statement of Profit and Loss (Refer note 24) for the year are H3.25 Lacs/- (previous year H4 Lacs/-).

### c) Disclosures under Ind AS 108 - "Operating Segment" - (Refer Note below)

#### (i) Entity wide disclosure required by Ind AS 108 are as detailed below:

Particulars	(H in Lacs)	
	2018-19	2017-18
Speciality Chemicals	92,064.17	60,658.06
Others	18,692.96	13,464.71
	<b>1,10,757.13</b>	<b>74,122.77</b>

#### (ii) Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

Particulars	(H in Lacs)	
	2018-19	2017-18
Revenue from External Customers:		
India	29,501.37	21,582.53
Outside India	81,255.76	52,540.24
	<b>1,10,757.13</b>	<b>74,122.77</b>

# Notes to the Financial Statements for the year ended 31st March 2019

## (ii) Geographic information (Contd..)

Particulars	2018-19	(H in Lacs) 2017-18
Non-current assets (other than financial instruments)		
India	69,333.80	51,470.81
Outside India	-	-

(iii) There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Note:-

The Company is engaged inter alia in the manufacture of Chemicals. These in the context of Ind AS 108 "Operating Segment" is considered to constitute one single primary segment.

## d) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors:

Particular	As at 31st March 2019	(H in Lacs) As at 31st March 2018
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	148.80	107.52

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative interest are not applicable, being NIL.

e) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

Particulars	2018-19	(H in Lacs) 2017-18
Gross amount required to be spent by the Company	396.44	376.71
Amount spent by the Company during the year on purpose other than construction/ acquisition of assets	280.20	69.18

## f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

### (a) Names of other related parties and nature of relationship:

Key Management Personnel:	<ul style="list-style-type: none"> <li>i) Mr. Vinod Saraf - Managing Director upto 26-10-2018, Chairman w.e.f 27-10-2018</li> <li>ii) Mrs. Vinati Saraf Mutreja - Executive Director upto 26-10-2018, Managing Director and CEO w.e.f 27-10-2018</li> <li>iii) Mrs. Viral Saraf Mittal - Director, CSR &amp; Corporate Strategy</li> <li>iv) N. K. Goyal - Chief Financial Officer</li> <li>v) Guntant Singh - Company Secretary cum Finance Controller upto 31-07-2018</li> <li>vi) Milind Wagh - Company Secretary w.e.f 01-08-2018</li> </ul>
Relatives of Key Management Personnel:	<ul style="list-style-type: none"> <li>i) Mr. Sunil Saraf - Brother of Mr. Vinod Saraf</li> <li>ii) Mr. Mohit Mutreja - Husband of Mrs. Vinati Saraf Mutreja</li> <li>iii) Kavita Saraf - Wife of Mr. Vinod Saraf</li> </ul>

# Notes to the Financial Statements for the year ended 31st March 2019

## (a) Names of other related parties and nature of relationship:(Contd..)

Enterprise owned or significantly influenced by any key management personnel or their relatives	i) Viral Alkalis Limited ii) Suchir Chemicals Private Ltd.
Other Related Parties	i) Vinati Organics Limited - Group Gratuity Trust

## (b) Transactions with related parties (excluding reimbursements)

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
i) Key Management Personnel:		
Managerial Remuneration *		
Directors	302.23	276.15
CFO	64.34	57.46
Company Secretary	27.47	26.17
Dividend paid during the year		
Vinod Saraf	312.76	34.87
Vinati Saraf Mutreja	27.24	3.04
Viral Saraf Mittal	23.45	2.61
Mr. Vinod Saraf		
Purchase of Land	-	3.11
ii) Relatives of Key Management Personnel:		
Sitting Fees		
Mr. Sunil Saraf	1.25	1.00
Mr. Mohit Mutreja	0.25	1.00
Dividend paid during the year		
Kavita Saraf	279.33	31.14
iii) Enterprise owned or significantly influenced by any management personnel or their relatives		
Dividend Payment - Suchir Chemicals Private Ltd.	1068.76	119.15
Sales - Viral Alkalis Ltd	124.94	2.04
Purchase - Viral Alkalis Ltd	344.03	101.82
Sale of Machinery - Viral Alkalis Ltd	-	1.45
Rent of Immovable property-Viral Alkalis Ltd	0.25	
iv) Other Related Parties		
Contributions paid	-	124.13
Contributions payable	91.30	57.77

\* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

## c) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2018: HNil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Notes to the Financial Statements for the year ended 31st March 2019

## g) Disclosures as per IND AS - 19 - Employee Benefits

During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
i) Employer's contribution to Provident Fund and Family Pension Fund*	299.05	279.19

\*Included in "Contribution to Provident and other Funds" (Note 21).

### ii) Defined benefit obligation:

The valuation results for the defined benefit gratuity plan as at 31-3-2019 are produced in the tables below:

#### i) Changes in the Present Value of Obligation

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
<b>Present Value of Obligation as at the beginning</b>	<b>879.48</b>	<b>761.80</b>
Current Service Cost	90.12	88.49
Interest Expense or Cost	65.44	56.57
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	5.91	(49.50)
- experience variance (i.e. Actual experience vs assumptions)	(21.34)	56.92
- change in demographic Assumptions	12.81	
Benefits Paid	(22.93)	(34.80)
<b>Present Value of Obligation as at the end</b>	<b>1,009.49</b>	<b>879.48</b>

#### ii) Changes in the Fair Value of Plan Assets

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
<b>Fair Value of Plan Assets as at the beginning</b>	<b>821.71</b>	<b>687.66</b>
Investment Income	63.27	55.65
Adjustment to opening Fair Value of Plan Asset	0.16	-
Return on Plan Assets excluding interest income	(1.79)	(10.94)
Employer's Contribution	57.77	124.13
Benefits Paid	(22.93)	(34.79)
<b>Fair Value of Plan Assets as at the end</b>	<b>918.19</b>	<b>821.71</b>

#### iii) Expenses Recognised in the Income Statement

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Current Service Cost	90.12	88.49
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.17	0.92
<b>Expenses Recognised in the Income Statement</b>	<b>92.29</b>	<b>89.41</b>



# Notes to the Financial Statements

for the year ended 31st March 2019

## iv) Other Comprehensive Income

Particulars	(H in Lacs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Actuarial (gains) / losses		
- change in financial assumptions	5.90	(49.51)
- experience variance (i.e. Actual experience vs assumptions)	(21.34)	56.93
- change in demographic Assumptions	12.81	-
Return on Plan Assets excluding interest income	1.63	10.95
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(1.00)</b>	<b>18.37</b>

## v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	(Vinati Organics Limited group gratuity cash accumulation trust)	
	31st March 2019	31st March 2018
Funds managed by Insurer	100%	100%

- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

## vi) Actuarial Assumptions

### a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Equity Share Capital	As on	
	31st March 2019	31st March 2018
Discount rate (per annum)	7.54%	7.60%
Salary growth rate (per annum)	8.00%	8.00%

### b. Demographic Assumptions

Equity Share Capital	As on	
	31st March 2019	31st March 2018
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 42 years	5.00%	5.00%

# Notes to the Financial Statements for the year ended 31st March 2019

## vii) Amount, Timing and Uncertainty of Future Cash Flows

### a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particular	(H in Lacs)	
	As on 31st March 2019	As on 31st March 2018
Defined Benefit Obligation (Base)	1,009.49	879.48

Particulars	As at 31st March 2019		As at 31st March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,087.81 7.76%	938.59 -7.02%	832.56 -5.34%	931.75 5.94%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	947.72 -6.12%	1,074.94 6.48%	840.29 -4.46%	921.78 4.81%
Attrition Rate (- / + 50%) (% change compared to base due to sensitivity)	1,012.04 0.25%	1,005.33 -0.41%	878.15 -13.01%	880.94 -12.73%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

### c. Effect of Plan on Entity's Future Cash Flows

#### -Funding arrangements and Funding Policy

The scheme is managed on funded basis.

#### -Expected Contribution during the next annual reporting period

	(Rupees in Lacs)
The Company's best estimate of Contribution during the next year	120.07
<b>-Maturity Profile of Defined Benefit Obligation</b>	
Weighted average duration (based on discounted cash flows)	10.37 Years
<b>-Expected cash flows over the next (valued on undiscounted basis):</b>	
	(Rupees in Lacs)
1 year	78.97
2 to 5 years	563.78
6 to 10 years	484.62

# Notes to the Financial Statements for the year ended 31st March 2019

## Note 28 Additional/Explanatory Information (Contd..)

### h) Commitment

- (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - H11036.95 Lacs (Previous Year H21571.91 Lacs)

### i) Contingent Liabilities not provided for:

- (i) Bank Guarantees - H1181.74 Lacs (Previous Year - H1732.63 Lacs)
- (ii) Letters of Credit issued by the Banks - H1018.75 Lacs (Previous Year - H1684.83 Lacs)
- (iii) Claims not acknowledged as debts:
  - (a) Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - H87.61 Lacs (Previous Year H87.61 Lacs) against which payment of H11.95 lacs (Previous Year H11.95 lacs) has been made.
  - (b) Disputed Income Tax Demands - H3.48 Lacs ((Previous Year H3.48 Lacs)
  - (c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of H23.25 Lacs (Previous Year H23.25 Lacs). The Company had filed the Appeal to The Collector of Raigad, Alibag, and hopeful for the demand likely to be waived off against which payment of H6.99 Lacs (Previous Year - H6.99 Lacs) has been made
  - (d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 H14.39 Lacs (Previous Year H14.39 Lacs). The Company requested MIDC to waive the DPC and hopeful to be waived off.

### j) Events Occurring after the Balance Sheet date

The proposed final dividend for FY 2018-19 amounting to H3597.37 Lacs will be recognised as distribution to owners during the financial year 2019-20 on its approval by Shareholders. The proposed final dividend per share amounts to H7.

### For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

**Millind Wagh**  
Company Secretary

**Vinod Saraf**  
Chairman  
DIN: 00076708

**N.Kashinath**  
Partner  
Mem.No.036490

**Nand Kishor Goyal**  
Chief Financial Officer

**Vinati Saraf Mutreja**  
Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 11th May, 2019

# Notice

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF VINATI ORGANICS LIMITED (the "Company") will be held on Saturday, 27th day of July, 2019 at 12 noon at the Registered Office of the Company, at B-12 & B-13/1, MIDC Industrial Area, Mahad 402 309, Dist. Raigad, Maharashtra to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the schedules and notes attached thereto, alongwith the Reports of Directors' and Auditors' thereon.
2. To declare a Final Dividend on equity shares for the Financial Year 2018-19.
3. To appoint a Director in place of Mr. Sunil Saraf (holding DIN: 00076887) who retires by rotation at this meeting and being eligible, offers himself for reappointment.

## SPECIAL BUSINESS:

4. To consider the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Act,, the Company hereby ratifies the remuneration of ₹60,000/- (Rupees Sixty Thousands only) plus out-of-pocket expenses if any, payable to M/s. N. Ritesh & Associates., Cost Accountants (Firm's Registration No. 100675) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Year 1st April, 2019 to 31st March, 2020."

5. To consider the following resolution as a **Ordinary Resolution**:-

**To consider & recommend appointment of Mr. Vinod Saraf as Chairman (Executive) of the Company for period of 5 years:**

In this connection Section 197(1) of the Companies Act, 2013, provides inter alia that the remuneration payable to the directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 198 either by the Articles of the company or by a resolution or if the Articles so require by an ordinary resolution passed by the company in General Meeting.

Considering his capabilities and rich experience to be beneficial for the company, the Board of Directors decided

to recommend appointment of Mr. Vinod Saraf as Chairman for further term of 5 years w. e. f. 27th October, 2018 in the Board Meeting held on October 27, 2018, on the terms and conditions stated in the resolution as under:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and read with Schedule V of the Companies Act, 2013 and subject to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of recommendation of the 'Nomination and Remuneration Committee' and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to the appointment of Shri Vinod Saraf (holding DIN: 00076708), as Chairman & Executive Director of the Company for the period from 27th October, 2018 to 26th October, 2023 and for payment of Remuneration ₹805000/- (Rupees Eight Lacs Five Thousand only) per month plus perquisites as under and that he shall not be liable to retire by rotation until he is occupying the position as Executive Chairman :-

## PERQUISITES:

- i) **HOUSE:** - In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation, shall not exceed 60% of the salary, over and above 10% payable by Executive Chairman if posted in Mumbai, Kolkata, Delhi or Chennai or 50% if posted at any other place.

OR

**HOUSE RENT ALLOWANCE:** - @ 30% of the salary.

- ii) **MEDICAL REIMBURSEMENT:** - Expenses incurred by the Executive Chairman and his family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
- iii) **LEAVE TRAVEL CONCESSION:** - Reimbursement of expenses incurred for the Executive Chairman and his family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.
- iv) **CLUB FEES:** - Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

- v) GAS & ELECTRICITY CHARGES: - Reimbursement of Gas & Electricity Charges incurred.
- vi) PROVIDENT FUND: - Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.
- vii) GRATUITY:- It shall not exceed half a month's salary for each completed year of service.
- viii) COMPANY CAR AND TELEPHONE: - Provision of Car for use of company's business and telephone at residence. Use of car and telephone for private purpose will be billed to him.
- ix) PERSONAL ACCIDENT INSURANCE: - Premium not to exceed ₹5,000/- per annum.
- x) LEAVE AND LEAVE ENCASHMENT: - As per Company's rule and regulation applicable to the Senior Executives of the Company.
- xi) There will be 10% increase from 1st April every year in salary and perquisites.

**"RESOLVED FURTHER THAT** if in any financial year and during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Shri Vinod Saraf the remuneration as specified in the aforesaid draft agreement as and by way of minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, for the purpose of giving effect to this resolution."

6. To consider the following resolution as a **Ordinary Resolution:-**

**To consider & recommend reappointment of Ms. Vinati Saraf Mutreja as Managing Director & CEO of the Company for period of 5 years:**

In this connection Section 197(1) of the Companies Act, 2013, provides inter alia that the remuneration payable to the directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 198 either by the Articles of the company or by a resolution or if the Articles so require by an ordinary resolution passed by the company in General Meeting.

Considering her capabilities and rich experience to be beneficial for the company, the Board of Directors decided to recommend the appointment of Ms. Vinati Saraf Mutreja as Managing

Director & CEO for term of 5 years w. e. f. 27th October, 2018, in the Board Meeting held on 27th October, 2018, on the terms and condition stated in the resolution as under:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and , read with Schedule V of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of recommendation of the 'Nomination & Remuneration Committee' and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to the appointment of Ms. Vinati Saraf Mutreja (holding DIN: 00079184), as a Managing Director and CEO of the Company for the period from 27th October, 2018 to 26th October, 2023 on a remuneration of ₹5,64,000/- (Rupees Five Lacs Sixty Four Thousand only) per month plus perquisites as under and that her office shall liable to retired by rotation:

**PERQUISITES:**

- i) HOUSE: - In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation, shall not exceed 60% of the salary, over and above 10% payable by Managing Director & CEO if posted in Mumbai, Kolkata, Delhi or Chennai or 50% if posted at any other place.

OR

HOUSE RENT ALLOWANCE: - @ 30% of the salary.

- ii) MEDICAL REIMBURSEMENT: - Expenses incurred by the Managing Director & CEO and her family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
- iii) LEAVE TRAVEL CONCESSION: - Reimbursement of expenses incurred for the Managing Director & CEO and her family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.
- iv) CLUB FEES: - Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) GAS & ELECTRICITY CHARGES: - Reimbursement of Gas & Electricity Charges incurred.
- vi) PROVIDENT FUND: - Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.

- vii) GRATUITY:- It shall not exceed half a month's salary for each completed year of service.
- viii) COMPANY CAR AND TELEPHONE: - Provision of Car for use of company's business and telephone at residence. Use of car and telephone for private purpose will be billed to her.
- ix) PERSONAL ACCIDENT INSURANCE: - Premium not to exceed ₹5,000/- per annum.
- x) LEAVE AND LEAVE ENCASHMENT: - As per Company's rule and regulation applicable to the Senior Executives of the Company.
- xi) There will be 10% increase from 1st April every year in salary and perquisites.

**RESOLVED FURTHER THAT** if in any financial year and during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Ms. Vinati Saraf Mutreja the remuneration as specified in the aforesaid draft agreement as and by way of minimum remuneration

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, for the purpose of giving effect to this resolution."

7. To consider the following resolution as a **Ordinary Resolution:-**

**To consider & recommend reappointment of Ms. Viral Saraf Mittal as Director - CSR & Corporate Strategy of the Company for further period of 5 years:**

In this connection Section 196 and 197(1) of the Companies Act, 2013, provides interalia that the remuneration payable to the directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 198 either by the Articles of the company or by a resolution or if the Articles so require by a Special Resolution passed by the company in General Meeting.

Considering her capabilities and rich experience to be beneficial for the company, the Board of Directors decided to recommend reappointment of Mrs. Viral Saraf Mittal as Director - CSR & Corporate Strategy for further term of 5 years w. e. f. 19th May 2019, on the terms and condition stated in the resolution as under:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including

any statutory modification(s) or re-enactment thereof, for the time being in force) and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of recommendation of the 'Nomination & Remuneration Committee' and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to the appointment of Ms. Viral Saraf Mittal (holding DIN: 02666028), Whole Time Director, designated as Executive Director- CSR & Corporate Strategy of the Company whose present term as Director/Corporate Strategy of the Company, expired on 18th May, 2019, for another term of 5 (Five) years commencing from 19th May, 2019 to 18th May, 2024 on a remuneration of ₹354000/- (Rupees Three Lacs Fifty Four Thousand only) per month plus perquisites as under and that her office shall liable to retire by rotation.

**PERQUISITES:**

- i) HOUSE: - In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation, shall not exceed 60% of the salary, over and above 10% payable by Director – CSR & Corporate Strategy if posted in Mumbai, Kolkata, Delhi or Chennai or 50% if posted at any other place.

OR

HOUSE RENT ALLOWANCE: - @ 30% of the salary.

- ii) MEDICAL REIMBURSEMENT: - Expenses incurred by the Director- CSR & Corporate Strategy and her family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
- iii) LEAVE TRAVEL CONCESSION: - Reimbursement of expenses incurred for the Director- CSR & Corporate Strategy and her family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.
- iv) CLUB FEES: - Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) GAS & ELECTRICITY CHARGES: - Reimbursement of Gas & Electricity Charges incurred.
- vi) PROVIDENT FUND: - Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.
- vii) GRATUITY:- It shall not exceed half a month's salary for each completed year of service.
- viii) COMPANY CAR AND TELEPHONE: - Provision of Car for use of company's business and telephone at residence.

Use of car and telephone for private purpose will be billed to her.

- ix) PERSONAL ACCIDENT INSURANCE: - Premium not to exceed ₹5,000/- per annum.
- x) LEAVE AND LEAVE ENCASHMENT: - As per Company's rule and regulation applicable to the Senior Executives of the Company.
- xi) There will be 10% increase every year in salary and perquisites.

**RESOLVED FURTHER THAT** if in any financial year and during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Ms. Viral Saraf Mittal the remuneration as specified in the aforesaid draft agreement as and by way of minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, for the purpose of giving effect to this resolution."

8. To consider the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and read with Schedule IV of the Companies Act, 2013 as amended from time to time and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Mona Bhide (DIN: 05203026), who was appointed by the Board of Directors, as an Additional Director pursuant to Section 161 of the Act and the Articles 185 of the Articles of Association of the Company, w. e. f. October 27, 2018 till the date of this Annual General Meeting and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive & Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Mona

Bhide, Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years w. e. f. 27th October, 2018 to 26th October, 2023, and she shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

9. To consider the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and read with Schedule IV of the Companies Act, 2013 as amended from time to time, and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Adesh Kumar Gupta (DIN: 00020403), who was appointed by the Board of Directors, as an Additional Director pursuant to Section 161 of the Act and the Articles 185 of the Articles of Association of the Company, w. e. f. May 11, 2019 till the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive & Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Adesh Kumar Gupta, Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years w. e. f. 11th May, 2019 to 10th May, 2024, and he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

10. To consider the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and read with Schedule IV of the Companies Act, 2013



as amended from time to time and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Prof. Mannepalli Lakshmi Kantam (DIN: 07831607), who was appointed by the Board of Directors, as an Additional Director pursuant to Section 161 of the Act and the Articles 185 of the Articles of Association of the Company, w. e. f. May 11, 2019 till the date of this Annual General Meeting and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive & Independent Director of the Company.

#### RegisteredOffice:

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Tel No.: 022-61240444/428, Fax No.: 022-61240438  
Email : shares@vinatiorganics.com  
Website: vinatiorganics.com  
CIN: L24116MH1989PLC052224

Mumbai, 11<sup>th</sup> May 2019

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Prof. Mannepalli Lakshmi Kantam, Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years w. e. f. 11th May, 2019 to 10th May, 2024, and she shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

By order of the Board of Directors

**Milind A Wagh**  
Company Secretary

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint another person (whether a shareholder or not) as his/her proxy to attend and vote instead of himself/herself, and the proxy need not be a member but a proxy so appointed shall not have any right to speak at the meeting and can vote only on a poll. The proxies in order to be effective must be duly signed and received at the registered office of the Company not less than 48 hours before the commencement of the meeting. Proxy form is annexed to the notice. [Annexure I]
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.  
  
The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 18th July, 2019 to Saturday, 27th day of July, 2019 (both days inclusive). Members are requested to intimate to the Corporate Office situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, “G” Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra the changes, if any, in their registered addresses, quoting their Folio Numbers/ or their client ID number with DP ID number, as the case may be. Non-resident Indian Members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
  - (a) the change in residential status on return to India for permanent settlement.
  - (b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.
3. As per the provisions of the Act, facility for making nominations is available for the shareholders. The prescribed nomination form can be obtained from the Company’s share department situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, “G” Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra.
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of Item Nos. 4 to 10 mentioned in the above Notice is annexed hereto.
5. The details of the directors seeking appointment/reappointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified

by Central Government has given at Annexure A to the notice. The Board of Directors recommend all the appointments / re-appointments as proposed.

## 6. Registrars and Transfer Agents:

The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 as the Registrars and Transfer Agents (“R&TA”) for all aspects of investor servicing relating to shares.

- The Company’s securities are listed at the BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra and The National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

The Annual Listing Fees for the year 2019-20 have been paid by the Company to BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.

- The dividend on equity shares as recommended by the Board of Directors 350% on the share capital of the Company i.e. ₹7.00 per Equity Share of face value of ₹2/- each for the year ended 31st March 2019, if declared at the meeting, will be made payable on or after 28th July, 2019 to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its R&TA on or before 17th July, 2019 or those, whose names appear as beneficial owners as at the end of business on 17th July, 2019 as per lists to be furnished by the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.

Shareholders are hereby informed that pursuant to Section 125 and Section 124 (5) of the Companies Act, 2013, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund (the “Fund”) established by the Central Government. It may be noted that, no claim shall lie against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the date it became first due for payment and no payment shall be made in respect of any such claim.

- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars

and Transfer Agents, M/s. Sharex Dynamic India Pvt. Ltd. for assistance in this regard.

- Notice is being issued pursuant to the provisions of the Investor Education and protection fund Authority (Accounting, Audit, Transfer and refund) rules, 2016 (“the rules”) which came into force from 7th September 2016 and the investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Amendment rules, 2017 (“the Amendment Rules”) which came into force from 28th February 2017.

The Amendment Rules, amongst other matters, contain provisions for transfer of all shares in respect of which no dividend has been claimed by the shareholders for a consecutive period of seven years or more to the DEMAT account of Investor Education and Protection Fund (“IEPF”).

Adhering to various requirements set out in the rules, the company has communicated individually to the shareholders whose shares are liable to be transferred to IEPF. Also, complete details of such shareholders has been uploaded on the Company’s website at [www.vinatiorganics.com](http://www.vinatiorganics.com).

Shareholders must note that both the unclaimed dividend and shares transferred to IEPF Authority including all benefits on such shares, if any can be claimed back by them from IEPF authority after following the procedure prescribed under these rules.

As the Company did not receive any communication from the concerned shareholders by 30.09.2018, the company with a view to adhering with the requirements of the Rules, transfer the shares to the IEPF suspense account by the due date as per the procedure set out in the Rules transferred 27344 equity shares to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs on 28.11.2018 the details of shares transferred are as under:

Sharesheld in:	Number of records	Number of shares (Quantity)
CDSL	00	0
NSDL	07	1844
Physical	34	25500
<b>Total</b>	<b>41</b>	<b>27344</b>

For any queries on the above matter, shareholders are requested to contact the Company’s Registrar and Share Transfer Agents: M/s. Sharex Dynamic India Pvt. Ltd. Unit: Vinati Organics Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083 Phone: 022- 28515606/5644, Email: [support@sharexindia.com](mailto:support@sharexindia.com).

- Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2011-2012 (Final) and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Fund. Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2011-

2012 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the R&TA on or before 4th October, 2019, failing which the unpaid/unclaimed amount will be transferred to the Fund as above, no claim shall lie against the Company or the Fund in respect of such amount by the Member.

12. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated 23rd July, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend.

In terms of the Circular, the company has uploaded the details of unpaid and unclaimed dividend. The same can be viewed on [www.mca.gov.in](http://www.mca.gov.in).

Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.

13. a) Members are advised to avail of the facility for receipt of dividend through Electronic Clearing Service (ECS). The ECS facility is available at specified locations. Members holding shares in electronic form are requested to contact their respective DPs for availing ECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz. [www.vinatiorganics.com](http://www.vinatiorganics.com) and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company or to its R&TA.
- (b) Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.
- (c) The Securities and Exchange Board of India (SEBI) vide its Circular dated 21st March, 2013 provided that companies making cash payments to its investors shall use approved electronic mode of payment such as ECS, NECS, and NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors:-

For securities held in Demat Mode, companies shall seek relevant bank details from the Depositories.

For securities held in Physical Mode, companies shall maintain updated bank details of its investors.

- (d) Further, to avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company under the signature of the Sole/First Joint Holder, the following information, so that the bank account number and name and address of the bank can be printed on the dividend warrants:

1. Name of Sole/ First Joint holder and Folio number.
2. Particulars of bank account, viz.
  - i) Name of the bank
  - ii) Name of branch
  - iii) Complete address of bank with Pin code
  - iv) Account type, whether saving (SB) or Current Account (CA)
  - v) Bank Account Number

#### 14. Depository System:

The Company has entered into agreements with NSDL and CSDL. The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository system offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

Members, therefore now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CSDL. Members are encouraged to convert their holdings to electronic mode.

#### 15. Re-appointment of Directors:

Section 152 of the Companies Act, 2013, provides inter alia that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company, or a private company which is a subsidiary of a public company, shall (a) be persons whose period of office is liable to determination by retirement of directors by rotation; and (b) save as otherwise expressly provided in the Act, be appointed by the Company in the general meeting.

16. Accordingly, at the ensuing Annual General Meeting, Mr. Sunil Saraf, Director retiring by rotation and being eligible offer himself for re-appointment. The information or details pertaining to the Director to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange is furnished in the statement on Corporate Governance published in this Annual Report.

**Details of Director seeking re-appointment:**

Particulars	Mr. Sunil Saraf
Date of Birth	14.02.1966
Date of Appointment	15.06.1989
Qualifications	B. Com.
Directorships held in other public Company	1. Viral Alkalis Ltd.
Memberships / Chairman of committees of other public companies	1. Viral Alkalis Ltd.

Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja and Ms. Viral Saraf Mittal are interested in the appointment of Mr. Sunil Saraf.

17. The Annual Report of the Company for the year 2018-2019, circulated to the Members of the Company, is available on the Company's website viz. [www.vinatiorganics.com](http://www.vinatiorganics.com). The Company does not have Subsidiary Company.
18. In terms of Circulars issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares.
19. MCA, Government of India, through its Circulars Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiatives in corporate governance.
20. A recent amendment to the Listing Agreement with the stock exchange also permits sending the aforesaid documents through electronic mode to Members who have registered their email address with the Company for this purpose.
21. The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA. A 'Green Initiative' Form can be downloaded from the Company's website viz. [www.vinatiorganics.com](http://www.vinatiorganics.com) to register the email id.
22. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by Central Depository Services Limited (CDSL).

The facility for voting through ballot paper shall be made available at the 30th AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for voting electronically are enclosed and also details of which shall be uploaded on the website of the Company.

23. Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
24. Shareholders are requested to bring their copy of Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
25. The Nomination Form (Annexure II) and Ballot Form (Annexure III) have been enclosed herein.
26. Route Map giving directions to the venue of the meeting is annexed to the notice. [Annexure IV]

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Tel No.: 022-61240444/428, Fax No.: 022-61240438  
Email : [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com)  
Website: [vinatiorganics.com](http://vinatiorganics.com)  
CIN: L24116MH1989PLC052224

Mumbai, 11<sup>th</sup> May 2019

By order of the Board of Directors

**Milind A Wagh**  
Company Secretary

# Explanatory Statement Pursuant to Section 102 of The Companies Act, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos. 4 to 10.

## Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2019.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way concerned or interested, in the said resolution as set out at the Item No. 4 of the Notice for approval by the members.

The Board recommends this Ordinary Resolution as set out at Item No. 4 of the accompanying Notice for approval by the members.

## Item No. 5

Mr. Vinod Saraf was re-appointed as Managing Director of the Company for a period from 1st November 2015 on the terms and conditions and remuneration approved by the members at the 27th Annual General Meeting of the Company held on 6th August 2016.

A brief profile along with other details of Shri Vinod Saraf in compliance with Schedule V of the Companies Act, 2013 are provided below:

He has been able to develop a strong management team who work on formulation of strategy, expansion plan and other management policies under his able guidance. With his untiring efforts, focused attention and diligent work, he has been able to remain in touch with the management team on day to day basis.

Considering his capabilities and rich experience to be beneficial for the Company, the Board of Directors in its meeting held on 27th October, 2018, decided to recommend appointment of Mr. Vinod Saraf as whole Time Director and Chairman of the Board, designated as "Chairman & Executive Director" for term of 5 years

w. e. f. 27th October, 2018, on the terms and condition stated in the resolution appearing under special business.

Pursuant to the amendment provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 New Clause 17 (1 B), which is applicable with effect from 1st April 2020. and other applicable provisions if any, Shri Vinod Saraf will step down as Chairman of the Company and continue as Executive Director of the Company. w. e. f. 1st April 2020 onwards, if necessary.

In this connection Section 102(2) of the Companies Act, 2013 provides inter alia that the remuneration payable to the Directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 197 either by the Articles of the company or by a resolution or if the Articles so require by a Special Resolution passed by the company in General Meeting. Accordingly, this resolution has been proposed in terms of Section 197 read with Schedule V of the Act.

The Board of Directors at their meeting held on, 27th October, 2018 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 27th October, 2018, approved the payment of remuneration to be paid Shri Vinod Saraf, in accordance with the provisions of Section 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), for the period of Five years from 27th October 2018 To 26th October, 2023 subject to the approval of the shareholders at the ensuing Annual General Meeting.

The agreement between the Company and Mr. Vinod Saraf providing the terms and conditions of his appointment is available for inspection by the members at the Registered Office of the Company on any working day between 11 a.m. and 1.00 p.m.

Except Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja, Ms. Viral Saraf Mittal and Mr. Sunil Saraf (being relatives) no other Director and KMP and their relatives are interested in this resolution.

The Board recommends the Resolution at item No.5 of the Notice for acceptance by the members.

The Board recommends passing of the ordinary resolution.

## Item No. 6

Ms. Vinati Saraf Mutreja was re-appointed as Executive Director of the Company for a period from 20th May 2016 on the terms and



conditions and remuneration approved by the members at the 27th Annual General Meeting of the Company held on 6th August 2016.

“Considering her capabilities and rich experience to be beneficial for the Company, the Board of Directors in its meeting held on 27th October, 2018 on recommendation of the Nomination and Remuneration Committee decided to recommend and appoint Ms. Vinati Saraf Mutreja as Managing Director and Chief Executive Officer for a term of five years from the 27th October, 2018 on the terms and conditions stated in the resolution appearing under Special Business”

In this connection Section 102(2) of the Companies Act, 2013 provides inter alia that the remuneration payable to the Directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 197 either by the Articles of the company or by a resolution or if the Articles so require by a Special Resolution passed by the company in General Meeting. Accordingly, this resolution has been proposed in terms of Section 197 read with Schedule V of the Act.

The agreement between the Company and Ms. Vinati Saraf Mutreja providing the terms and conditions of her re-appointment is available for inspection by the members at the Registered Office of the Company on any working day between 11 a.m. and 1.00 p.m.

Except Ms. Vinati Saraf Mutreja, Mr. Vinod Saraf, Ms. Viral Saraf Mittal, and Mr. Sunil Saraf (being relatives) no other Director and KMP and their relatives are interested in this resolution.

The Board recommends the resolution at item No.6 of the Notice for acceptance by the members.

The Board recommends passing of the ordinary resolution.

### Item No. 7

Ms. Viral Saraf Mittal was appointed as Whole Time Director designated as Director – Corporate Strategy of the Company for a period from 19th May 2014 to 18th May 2019 on the terms and conditions and remuneration approved by the members at the 20th Annual General Meeting of the Company held on 8th August 2015.

Considering her capabilities and rich experience to be beneficial for the Company, the Board of Directors in its meeting held on 11th May 2019, decided to recommend re-appointment of Ms. Viral Saraf Mittal as Director – CSR & Corporate Strategy for further term of 5 years w. e. f. 19th May 2019, on the terms and condition stated in the resolution appearing under special business at serial no.8.

In this connection Section 102(2) of the Companies Act, 2013 provides inter alia that the remuneration payable to the Directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 197 either by the Articles of the company or by a resolution or if the Articles so require by a Special Resolution passed by the company in General Meeting. Accordingly, this resolution has been proposed in terms of Section 197 read with Schedule V of the Act.

The agreement between the Company and Ms. Viral Saraf Mittal providing the terms and conditions of her re-appointment is available for inspection by the members at the Registered Office of the Company on any working day between 11 a.m. and 1.00 p.m.

Except Ms. Viral Saraf Mittal, Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja, and Mr. Sunil Saraf (being relatives) no other Director and KMP and their relatives are interested in this resolution.

The Board recommends the Resolution at item No.7 of the Notice for acceptance by the members.

The Board recommends passing of the Ordinary Resolution.

### Item No. 8

Mrs. Mona Bhide is an Additional director (Independent) of your Company. Mrs. Mona Bhide holds a degree B. Com, LL.B. from University of Mumbai, LL.M. from Northwestern University, School of Law, Chicago is a Managing Partner of Dave & Girish & Co. and is also an Independent Director in GIC Housing Finance Limited and was appointed as an Additional Director with effect from October 27, 2018.

Pursuant to Section 149, 152, 161 and Schedule IV of the Companies Act, 2013 and rules made thereunder and based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 27th October, 2018 has appointed Mrs. Mona Bhide as an Additional Director (Independent Director) of the Company with immediate effect for a period of 5 (Five) consecutive years, not liable to retire by rotation, subject to the approval of the shareholders at the ensuing Annual General Meeting. Mrs. Mona Bhide is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of Companies Act, 2013 and applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director. Accordingly, pursuant to Section 149 and Schedule IV of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification or re-enactment thereof), the Board recommends the resolution in relation to appointment of Mrs. Mona Bhide as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 27th October, 2018 and shall not be liable to retire by rotation. Mrs. Mona Bhide will not be entitled for any remuneration except sitting fees for attending board meetings/committee meetings. Except Mr. Mona Bhide being appointee, none of the Directors and/or Key Managerial Personnel or their relatives, are interested or concerned in the resolution. The Board recommends the Special Resolution set out at Item No. 8 of the accompanying Notice in the interests of the Company.

**Item No. 9:**

Mr. Adesh Kumar Gupta is an Additional director (Independent) of your Company. Mr. Adesh Kumar Gupta is a member of The Institute of Chartered Accountants of India (ICAI) and is also an Independent Director in Zee Entertainment Enterprise Ltd, Essel Mutual Fund, besides some entities of Aditya Birla Group and other companies and was appointed as an Additional Director with effect from May 11, 2019.

Pursuant to Section 149, 152, 161 and Schedule IV of the Companies Act, 2013 and rules made thereunder and based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 11th May, 2019 has appointed Mr. Adesh Kumar Gupta as an Additional Director (Independent Director) of the Company with immediate effect for a period of 5 (Five) consecutive years, not liable to retire by rotation, subject to the approval of the shareholders at the ensuing Annual General Meeting. Mr. Adesh Kumar Gupta is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of Companies Act, 2013 and applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director. Accordingly, pursuant to Section 149 and Schedule IV of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification or re-enactment thereof), the Board recommends the resolution in relation to appointment of Mr. Adesh Kumar Gupta as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 11th May, 2019 and shall not be liable to retire by rotation. Mr. Adesh Kumar Gupta will not be entitled for any remuneration except sitting fees for attending board meetings/committee meetings. Except Mr. Adesh Kumar Gupta being appointee, none of the Directors and/or Key Managerial Personnel or their relatives, are interested or concerned in the resolution. The Board recommends the Special Resolution set out at Item No. 9 of the accompanying Notice in the interests of the Company.

**Item No. 10:**

Dr. Prof. Mannepalli Lakshmi Kantam is an Additional director (Independent) of your Company. Dr. Prof. Lakshmi Kantam is a Professor of Green Chemistry and sustainability Engineering Department of Chemical Engineering Institute of Chemical Technology and is also an Independent Director in Godavari Biorefineries Limited, Indo Amines Limited, and other companies and was appointed as an Additional Director with effect from May 11, 2019.

Pursuant to Section 149, 152, 161 and Schedule IV of the Companies Act, 2013 and rules made thereunder and based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 11th May, 2019 has appointed Dr. Prof. Mannepalli Lakshmi Kantam as an Additional Director (Independent Director) of the Company with immediate effect for a period of 5 (Five) consecutive years, not liable to retire by rotation, subject to the approval of the shareholders at the ensuing Annual General Meeting. Dr. Prof. Mannepalli Lakshmi Kantam is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of Companies Act, 2013 and applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director. Accordingly, pursuant to Section 149 and Schedule IV of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification or re-enactment thereof), the Board recommends the resolution in relation to appointment of Dr. Prof. Mannepalli Lakshmi Kantam as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 11th May, 2019 and shall not be liable to retire by rotation. Dr. Prof. Mannepalli Lakshmi Kantam will not be entitled for any remuneration except sitting fees for attending board meetings/committee meetings. Except Dr. Prof. Mannepalli Lakshmi Kantam being appointee, none of the Directors and/or Key Managerial Personnel or their relatives, are interested or concerned in the resolution. The Board recommends the Special Resolution set out at Item No. 10 of the accompanying Notice in the interests of the Company.

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Tel No.: 022-61240444/428, Fax No.: 022-61240438  
Email : shares@vinatiorganics.com  
Website: vinatiorganics.com  
CIN: L24116MH1989PLC052224

Mumbai, 11<sup>th</sup> May 2019

By order of the Board of Directors

**Milind A Wagh**  
Company Secretary



## Annexure- A

The details of Director seeking appointment / re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are furnished below: -

Name of Director	Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Ms. Viral Saraf Mittal
DIN	00076708	00079184	02666028
Date of birth	16.06.1950	03.05.1984	28.10.1986
Date of appointment	15.06.1989	20.05.2006	19.05.2009
Expertise in specific Professional areas	Mr. Vinod Saraf is the founder of Vinati Organics Ltd. He has 47 years of previous industrial experience with Bhilwara Group, Modern Syntex (I) Ltd. and Grasim Industries Ltd. As Vice President of Chemicals division of Grasim industries he was responsible for identification of chemical/ petrochemical projects, technical tie-up and feasibility studies etc. During this period he was involved in the implementation of the gas based sponge iron project of Grasim. Subsequently he was nominated as "Managing Director (Finance and Administration)" on the Board of Directors of Mangalore Refi y&Petrochemicals Ltd.	Ms. Vinati Saraf Mutreja joined Vinati Organics Ltd. in 2006. Prior to joining Vinati Organics, Ms. Vinati worked as a Consultant for Mercer Oliver Wyman, a New York based consulting firm specializing in financial services and risk management. She also worked as summer analyst at Insight Venture Partners in New York and Citibank in Mumbai.	Ms. Viral Saraf Mittal joined Vinati Organics Ltd. in 2009. Prior to joining Vinati Organics, Ms. Viral Saraf Mittal worked as Headed a project called DMA (direct marketing agent) Fraud to find out the DMAs who might indulge in fraudulent behavior or make false promises to ICICI Bank. Found the attrition rate of the accounts on book region/city/ surrogate club/surrogate/logo wise. Worked with MBA students to present a project report on DMA Fraud.
Qualification	Management graduate from BITS	Bachelor of Science in Economics and Bachelor of Science in Engineering from University of Pennsylvania, Philadelphia, PA	Bachelor of Science in Economics and Bachelor of Arts in Economics from University of Pennsylvania, Philadelphia, PA
List of other Indian Public Limited Companies in which Directorship held as on March 31, 2019	Nil	Nil	Nil
Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2019	Nil	Nil	Nil
Terms and conditions of Appointment/ Re-appointment	As Per Agreement	As Per Agreement	As Per Agreement
Remuneration last drawn (including sitting fees, if any)	138.60 Lakhs	104.62 Lakhs	59.00 Lakhs
Remuneration proposed to be paid	As Per Agreement	As Per Agreement	As Per Agreement
Number of Meetings of the Board attended during the Year	4	4	3
Number of Shares held in the Company as at March 31, 2019	69,50,291	6,05,310	5,21,183
Relationship between Directors inter-se	Promoter	Promoter	Promoter

Name of Director	Mrs. Mona Bhide	Mr. Adesh Kumar Gupta	Dr. Prof. Mannepalli Lakshmi Kantam
DIN	05203026	00020403	07831607
Date of birth	17.04.1963	11.09.1956	04.03.1955
Date of appointment	28.10.2018	11.05.2019	11.05.2019
Expertise in specific Professional areas	Managing Partner of Dave & Girish & Co., a Law Firm focusing on International Finance & Corporate Laws. She is also Advisor to various Banks and Financial Institutions	Over three and a half decade of experience working exclusively with the Aditya Birla Group out of which last 15-20 years in various senior leadership roles, last one being the Whole time Director and CFO of Grasim and Director – UltraTech, in the capacity as Business. Have been associated with different businesses / companies of the group including Grasim, UltraTech, Aditya Birla Nuvo, Pulp & Fiber Birla Global Finance and Indian Rayon	Dr. Prof. Mannepalli Lakshmi Kantam has 32 years of experience in the research, design and development of catalysts for innovative green and economical processes for chemical industry. Dr. Prof. Mannepalli Lakshmi Kantam served as Director at CSIR-IICT, Hyderabad. Considering her huge experience of the chemical industry & criteria of Independent Director, the Board proposed her appointment as Independent Director.
Qualification	B. Com, LL.B. from University of Mumbai, LL.M. from Northwestern University, School of Law, Chicago	B.Com, FCA, FCS, AMP (Harward)	B.Sc., M.Sc. & Ph.D.
List of other Indian Public Limited Companies in which Directorship held as on March 31, 2019	1) GIC Housing Finance Limited	1) Zee Entertainment Enterprises Limited 2) Essel Finance Business Loans Limited 3) Essel Finance AMC Limited 4) Care Ratings Ltd. 5) Aditya Birla Insurance Brokers Limited	1. Indo Amines Limited 2. Godavari Biorefineries Limited
Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2019	Nil	1) Zee Entertainment Enterprises Limited 2) Essel Finance Business Loans Limited 3) Essel Finance AMC Limited 4) Care Ratings Ltd.	1. Godavari Biorefineries Limited
Terms and conditions of Appointment/ Re-appointment	Independent Director - 5 years w. e. f. 27th October, 2018.	Independent Director - 5 years w. e. f. 11th May, 2019.	Independent Director - 5 years w. e. f. 11th May, 2019.
Remuneration last drawn (including sitting fees, if any)	1 Lakh	Nil	Nil
Remuneration proposed to be paid	Nil	Nil	Nil
Number of Meetings of the Board attended during the Year	3	1	1
Number of Shares held in the Company as at March 31, 2019	Nil	Nil	Nil
Relationship between Directors inter-se	N/A	N/A	N/A

**Registered Office:**

By order of the Board of Directors

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Tel No.: 022-61240444/428, Fax No.: 022-61240438  
Email : shares@vinatiorganics.com  
Website: vinatiorganics.com  
CIN: L24116MH1989PLC052224

Mumbai, 11th May 2019

**Milind A Wagh**  
Company Secretary





# Vinati Organics Limited

Regd. Off.: B-12 & B-13/1, MIDC Industrial Area, Dist. Raigad, Mahad – 402 309, Maharashtra, India

CIN: L24116MH1989PLC052224, Tel No.: 022-61240444/428, Fax No.: 022-61240438

Email: shares@vinatiorganics.com, Website: www.vinatiorganics.com

## The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 24th July, 2019 at 9 a.m. and ends on 26th July, 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 20<sup>th</sup> July, 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](http://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](http://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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



# Vinati Organics Limited

Annexure I

Regd. Office: B-12 & B-13/1, MIDC Industrial Area, Dist. Raigad, Mahad – 402 309, Maharashtra, India

CIN: L24116MH1989PLC052224, Tel No.: 022-61240444 / 0428, Fax No.: 022-61240438

Email : shares@vinatiorganics.com, Website : www.vinatiorganics.com

## FORM NO MGT-11

## PROXY FORM

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

Name of the Member(s):.....

Registered address:.....

E-mail Id:.....

Folio No. / Client ID:.....

DP ID:.....

I/ We being the member(s) of.....shares of the above named Company hereby appoint:

(1)Name:.....

Address:.....

E-mail Id: .....or failing him;

(2)Name:.....

Address:.....

E-mail Id: .....or failing him;

(3)Name:.....

Address:.....

E-mail Id: .....or failing him;

as my/ our proxy to attend and vote (on a poll) for me/us and on my/belalf at the 30th Annual General Meeting of the Company to be held on Saturday, 27th July, 2019 at 12.00 noon at Registered Office of the Company at B-12 & B-13/1, MIDC Industrial Area, Dist. Raigad, Mahad – 402 309, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	For	Against
Ordinary Business			
1	Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors' thereon		
2	Declaration of final dividend on equity shares		
3	Re-appointment of Mr. Sunil Saraf (DIN: 00076887) as a Director of the Company		
Special Business			
4	Ratification of the remuneration payable to M/s. N. Ritesh & Associates., Cost Accountants (Firm's Registration No. 100675) for the Financial Year 2019-20.		
5	Appointment and Payment of Remuneration to Shri Vinod Saraf (holding DIN: 00076708), as Chairman & Executive Director of the Company for the period from 27th October, 2018 to 26th October, 2023.		
6	Appointment and Payment of Remuneration to Ms. Vinati Saraf Mutreja (holding DIN: 00079184), as a Managing Director and CEO of the Company for the period from 27th October, 2018 to 26th October, 2023		
7	Re-appointment and Payment of Remuneration to Ms. Viral Saraf Mittal (holding DIN: 02666028), as a Director-CSR & Corporate Strategy of the Company for the period from 19th May, 2019 to 18th May, 2024.		
8	Appointment of Ms. Mona Bhide (DIN: 05203026) as a Non-Executive & Independent Director of the Company.		
9	Appointment of Mr. Adesh Kumar Gupta (DIN: 00020403), as a Non-Executive & Independent Director of the Company.		
10	Appointment of Dr. Prof Mannepalli Lakshmi Kantam (DIN: 07831607) as a Non-Executive & Independent Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of the Shareholder \_\_\_\_\_

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Note: 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.





Form No. SH-13

Annexure II

## Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014]

To,

**Vinati Organics Limited**

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

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES** (in respect of which nomination is being made)

Nature of securities	Folio No	No. of securities	Certificate No.	Distinctive No.

**(2) PARTICULARS OF NOMINEE/S –**

(a) Name:	(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:	
(d) Occupation:	(e) Nationality:
(f) Address:	
(g) E-mail id:	
(h) Relationship with the security holder:	

**(3) IN CASE NOMINEE IS A MINOR**

(a) Date of birth:	(b) Date of attaining majority:
(c) Name of guardian:	
(d) Address of guardian:	

**(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY**

(a) Name:	(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:	(d) Occupation:
(e) Nationality:	
(f) Address:	
(g) E-mail id:	
(h) Relationship with the security holder:	
(i) Relationship with the minor nominee	

Name:.....

Address:.....

Name of the Security Holder(s):\_.....

Signature:.....

Witness with name and address:.....





# Vinati Organics Limited

Annexure III

Regd. Office: B-12 & B-13/1, MIDC Industrial Area, Dist. Raigad, Mahad – 402 309, Maharashtra, India

CIN: L24116MH1989PLC052224, Tel No.: 022-61240444 / 0428, Fax No.: 022-61240438

Email : shares@vinatiorganics.com, Website : www.vinatiorganics.com

## BALLOT FORM

- 1) Name of the first named Shareholder (In block letters) :
- 2) Name(s) of the Joint Holder(s),  
if any :
- 3) Postal Address :
- 4) Registered Folio No. / Client ID No.\*  
(\*Applicable to investors holding Shares in dematerialized form) :
- 5) No. of Shares :

I/we hereby exercise my/our vote(s) in respect of the Resolutions enumerated below to be passed through ballot form for the businesses stated in the notice of the Company dated 11.05.2019 by recording, my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Sl. No.	Particulars	Type of Resolution	No. of shares held	FOR	AGAINST
				I/We assent to the resolution	I/We dissent to the resolution
1.	Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors' thereon	Ordinary			
2.	Declaration of final dividend on equity shares	Ordinary			
3.	Re-appointment of Mr. Sunil Saraf (DIN: 00076887) as a Director of the Company	Ordinary			
4	Ratification of the remuneration payable to M/s. N. Ritesh & Associates., Cost Accountants (Firm's Registration No. 100675) for the Financial Year 2019-20.	Ordinary			
5	Appointment and Payment of Remuneration to Shri Vinod Saraf (holding DIN: 00076708), as Chairman & Executive Director of the Company for the period from 27th October, 2018 to 26th October, 2023.	Ordinary			
6	Appointment and Payment of Remuneration to Ms. Vinati Saraf Mutreja (holding DIN: 00079184), as a Managing Director and CEO of the Company for the period from 27th October, 2018 to 26th October, 2023	Ordinary			
7	Re-appointment and Payment of Remuneration to Ms. Viral Saraf Mittal (holding DIN: 02666028), as a Director-CSR & Corporate Strategy of the Company for the period from 19th May, 2019 to 18th May, 2024.	Ordinary			
8	Appointment of Ms. Mona Bhide (DIN: 05203026) as a Non-Executive & Independent Director of the Company.	Special			
9	Appointment of Mr. Adesh Kumar Gupta (DIN: 00020403), as a Non-Executive & Independent Director of the Company.	Special			
10	Appointment of Dr. Prof. Mannepalli Lakshmi Kantam (DIN: 07831607) as a Non-Executive & Independent Director of the Company.	Special			

Place :

Date :

(Signature of the Shareholder)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

## INSTRUCTIONS

1. This Ballot form is provided for the benefit of members who do not have access to remote e-voting facility.
2. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on remote e-voting, please refer to the remote e-voting Notice.
4. The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through ballot to declare the final result for each of the Resolutions forming part of the Notice convening the AGM of the Company.

## PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM

- a. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on 20.07.2019.
- b. Please complete and sign the Ballot form and return the form in the attached postage-prepaid self-addressed business reply envelope so as to reach the scrutinizer appointed by the Board of Directors of the Company on or before 26.07.2019 (5.00 p.m.) at the following address:  
  
M/s. VKM & Associates,  
Scrutinizer,  
Vinati Organics Limited,  
Parinee Crescenzo, 1102, 'A' Wing,  
11th Floor, Plot No. C-38 & C-39, 'G' Block,  
Behind MCA, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400051.
- c. The form should be signed by the member as per the specimen signature registered with the Company/ Depositories. In case

of joint holding, the form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.

- d. In case the shares are held by companies, trusts, societies, etc., the duly completed Ballot form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.
- e. A member may request for a duplicate Ballot form, if so required. However, duly filled in and signed duplicate form should reach the scrutinizer not later than the date and time specified in serial no.(b) above.
- f. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. The form will also be rejected, if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- g. The decision of the Scrutinizer on the validity of the Ballot form and any other related matter shall be final.
- h. The results declared alongwith Scrutinizer's Report shall be placed on the Company's website **[www.vinatiorganics.com](http://www.vinatiorganics.com)** and on the website of the Central Depository Services Limited **<https://www.evotingindia.com>** within three (3) days of the passing of the Resolutions at the AGM of the Company to be held on **27th July, 2019** and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.



# Route Map to the AGM Venue



## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



## Notes

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

## Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**Vinati Organics Limited**

Parinee Crescenzo, 1102, 11th Floor,  
"G" Block, Plot No. C38 & C39,  
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Bandra (E), Mumbai 400 051