

STRATEGY & LEADERSHIP

THE FUNDAMENTALS OF VINATI ORGANICS' GROWTH

Vinati Organics is among the largest specialty chemical companies in India, with global market leadership in key products. Producing aromatics, monomers, polymers and other specialty products, we focus on delivering quality products that serve clients across the globe and India.



For the online version of this report or any other information please log on to www.vinatiorganics.com

Our export presence



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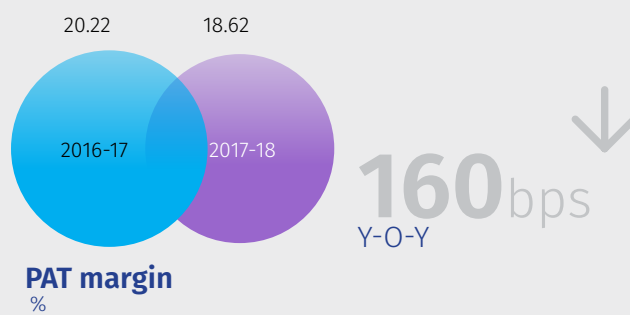
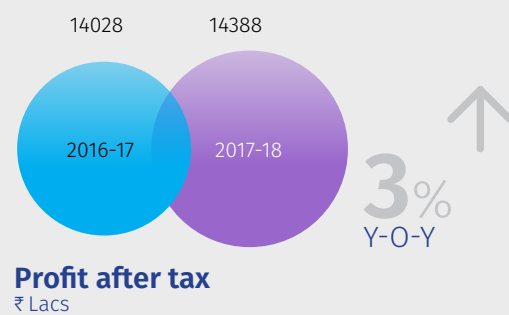
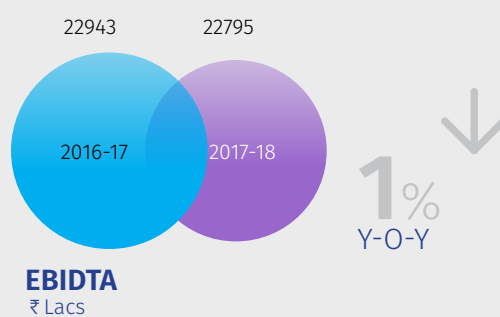
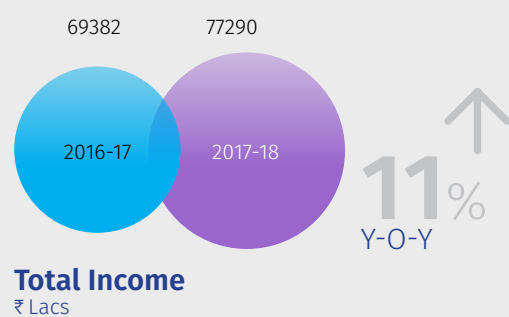
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From humble beginnings to being among the key players in our industry, Vinati's journey has always been marked by a constant striving for leadership in what we do.

This has driven us in creating a state-of-art facility, picking a committed and skilled team, diligently innovating at our R&D Labs, making products that stand out for their quality and consistently creating value for our customers and stakeholders alike. Our strategies are growth focused, just like our company. And standing at the end of one transformative year and the brink of another, we are confident that our strategies for our present and future will sustain our leadership for years to come.

2017-18 HIGHLIGHTS

Financial Highlights



Non-Financial highlights

65%

Global market share of IBB

55%

Global market share of ATBS

70%

Domestic market share of IB

Glossary

ATBS - 2-Acrylamido 2-Methylpropane Sulphonic Acid

IBB - Iso Butyl Benzene

IB - Isobutylene

HP MTBE - High Purity-Methyl Tertiary Butyl Ether

NBB - Normal Butylbenzene

TBA - N-Tertiary Butyl Acrylamide

2,4 DTBP - 2,4-DI Tert Butyl Phenol

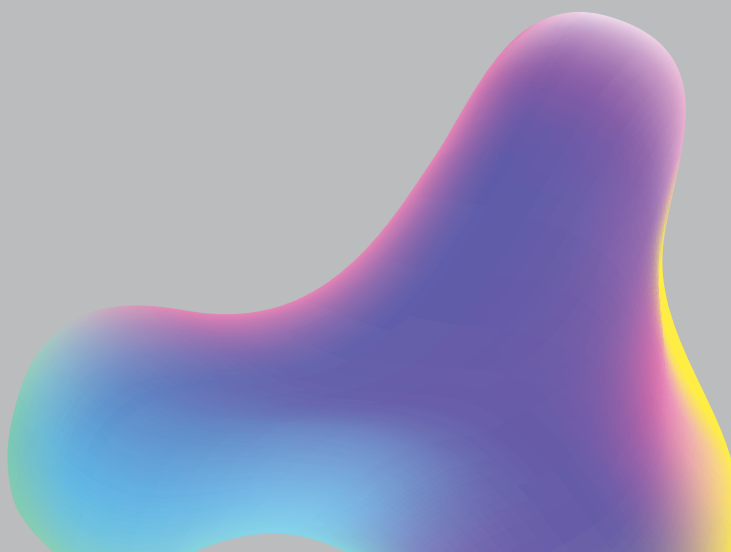
2,6 DTBP - 2,6-DI Tert Butyl Phenol

OTBP - Ortho Tert Butyl Phenol

PTBP - Para Tert Butyl Phenol

Quick Facts

- World's largest manufacturer of IBB and ATBS
- India's largest manufacturer of IB
- Integrated business model with economies of scale
- Exports to 31 countries



MANAGING DIRECTOR'S MESSAGE



WE CONTINUED TO INVEST IN OUR R&D AND FOCUSED ON BUILDING A STRONG TEAM OF RESEARCH PROFESSIONALS THAT COULD LEAD THE COMPANY TOWARDS DEVELOPMENT OF NEW PRODUCTS AND SOLUTIONS, CREATE ATTRACTIVE NEW BUSINESS SECTORS, AND STRENGTHEN OUR LEADING MARKET AND TECHNOLOGY POSITIONS



Dear shareholders,

It is a pleasure to present the 29th Annual Report of Vinati Organics Limited. 2017-18 was another year of extraordinary achievements for Vinati, as we took some big steps towards positioning ourselves as a specialty chemicals major. We successfully executed our growth strategies and emerged as a global leader across some of our key products.

Executing our strategies with passion and perfection at every level led to such commendable performance. To create value for our stakeholders as well as generate free cash flow, we tried to create a growth focused business portfolio, focused on selective capacity expansion and continued to invest in research and development.

In many ways, FY18 was a remarkable year. First and foremost, in terms of financial performance, we recorded good numbers during the year. Our

total revenue stood at ₹77290 lacs, one of the highest since our inception, a growth of around 11%. Our return on capital employed was also on the higher side compared to our industry peers, standing at 23%. Our bottom-line for the year stood at ₹14388 lacs, after an increase of 3%. To maximise shareholders' return, we undertook buyback of 2 lac shares in FY18.

On the operational front, our ATBS sales in FY18 grew strongly on the back of increased usages, coupled with the exit of one of the key competitors, Lubrizol. Our strategy was aimed at attaining profitable growth, achieving higher operational efficiencies and developing strong organisational values. Besides further expanding our leading market positions across different product lines, we are also focused on new product development. We have enhanced our presence in new growth segments like IB derivatives during the year and are focused on improving operational efficiencies through improved technology. To mobilize resources and funds for further growth, we focused on lowering our costs and optimizing the efficiency of our manufacturing processes along the entire value chain. The major capex investments that we undertook in FY18 are in line with our completion deadline and are expected to be operational by Q1 FY20. Development of co-generation based captive power plant at Lote facility was also in line with the execution plan and it is operating successfully.

Focusing on innovation

To retain our competitive edge, at Vinati we believe innovative

products and processes could be a key differentiator. Thus, innovation formed a major component of our strategy. Our ability to scout out new disruptive processes out of academic researches proved effective. We continued to invest in our R&D and focused on building a strong team of research professionals that could lead the Company towards development of new products and solutions, create attractive new business sectors, and strengthen our leading market and technology positions. Emphasis on innovation also led to access to new growth areas that helped improve our cost positions.

Building a foundation for growth

Determined to leverage the new opportunities and drive increasing value for our shareholders, at Vinati we are more focused today on building a sustainable growth foundation for tomorrow by buttressing our competitive strengths. In line with our strategy to improve our resource efficiency, we would further invest in our manufacturing processes making it more cost and energy efficient. Simultaneously, we feel that improvement of our governance culture is also extremely important to support the on-going growth of our business. To focus on further enhancing our manufacturing capabilities to achieve economies-of-scale, we paid attention to not only meeting the global standards set for product quality, safety and emissions but also superseding the same. We would strive to recalibrate our business model to help the Company garner higher share of the market,

thus boosting margins and develop commercially viable products along with reduction in waste footprint. Moving ahead, we would focus on delivering further growth in operating earnings, improve in terms of capital allocation and working capital performance to generate more cash and enhance returns to our shareholders.

To build a strong foundation for tomorrow, we continue to invest in our people who I believe are primarily responsible for the success of the company. I thank everyone who worked for us for their sincere efforts and dedication. Without them, we would have been unable to reach these heights.

In summary, FY18 was another transformative year for the Company, as we embarked on the journey for our next leg of growth. We worked towards simplifying our business model, to enable the dedicated management teams to fully utilise their resources towards more accurate execution of the strategies. Such accomplishments are likely to help the Company take full advantage of the growth opportunities, and also remain focused on disciplined capital allocation. Starting as just a raw material supplier, the evolution of Vinati today as a valued partner of some of the biggest MNC's of the world is a result of the trust and the confidence shown by our stakeholders in the Board, management and employees of the Company. I would like to take this opportunity to thank all our stakeholders for their continued trust and confidence in us and would like to reassure them that the

enhancement of shareholder value remains our prime focus. At Vinati, we are quite confident and optimistic that the strategies adopted in FY18 will surely continue to support our top-line and bottom-line growth in the coming years. Although we are yet to fully realise our goals, we do believe that execution of our clear strategy, our scaled operations, our well-defined product portfolio and the best team members in the business will deliver the desired outcome in the days ahead. We strive to maintain an unparalleled financial position in the industry so that we could finance attractive investment opportunities in future. With great pleasure, I look forward to another transformative year of value creation with you, our shareholders.

Vinod Saraf

Managing Director

OUR BUSINESS MODEL

What drives us



Our vision

To be a global leader in manufacturing niche specialty 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 competence

Our two plants (at Mahad and Lote in Maharashtra) with state-of-the-art facilities and global technologies help deliver qualitative products



Research & Development

Our R&D team is our competitive strength that endeavours to develop new products in an environment-friendly manner



Health & Safety

Operating in a sensitive industry, we ensure the best health and safety standards of our people as defined in our byelaws



Zero-waste

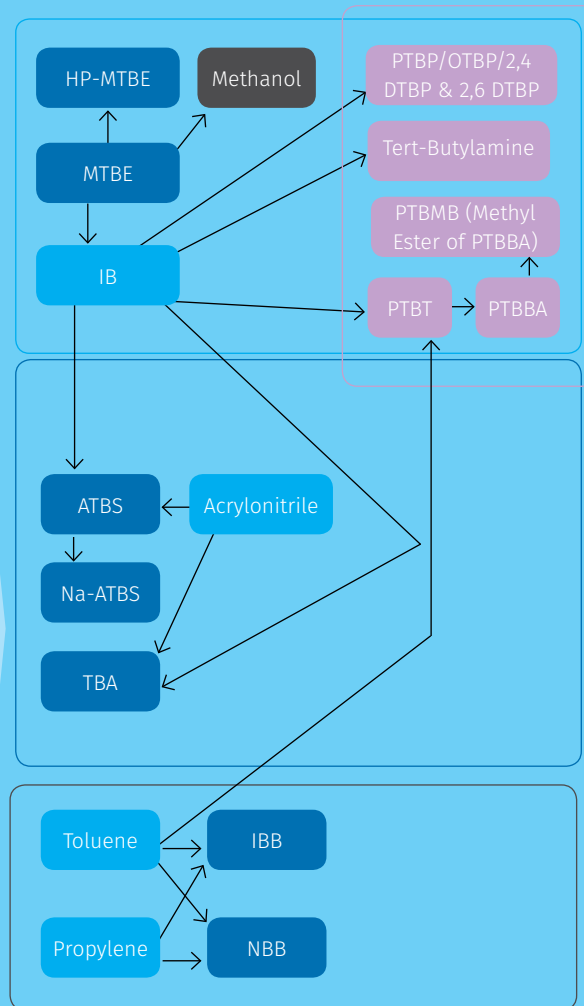
Our efficient business is completely built on a recycle model where we ensure there is zero waste discharge thereby not creating a negative impact on the environment



Financial discipline

Our business growth has been largely built on the foundation of our internal accruals with negligible long-term debts in books

Our process



Raw materials



Key products



By products



Downstream products

Stakeholders benefitted



Customers

We meet the diverse needs of our customers across 31 countries with products that add value to their businesses



Government & Regulatory bodies

We ensure compliance to all existing rules and regulations in the regions we operate



Investors

Our business success is largely attributed to the trust and faith of our investors in our company. We work with all due diligence and transparency to generate sustainable returns for our shareholders



Employees

We focus on people empowerment by providing long-term and rewarding career goals. This has helped built an efficient and diverse workforce



Society and Community

Our business sustainability is measured how we conduct business to create value for society and community at large

Outcome

6.4%

5-year CAGR in revenue till 2017-18

14%

5-year CAGR in EBITDA till 2017-18

16%

5-year CAGR in Net Profit till 2017-18

4.53x

Increase in gross block since 2010

13.08x

Increase in market capitalization since 2010

1000

More than
Number of employees as on
March 31, 2018

Zero

Waste discharge from
manufacturing facilities

~₹550 Lacs

Spent on social and community
benefits in last three years

ABOUT VINATI ORGANICS

We own and operate manufacturing facilities at Mahad and Lote in Maharashtra. Both the facilities are fully integrated with state-of-the-art equipment to deliver benchmark products that serve customers across diverse industries.

Our facilities

	PLANT 1	PLANT 2
Location	Mahad – Raigad, Maharashtra	Lote – Ratnagiri, Maharashtra
Year of Establishment	1989	2002
Certification	ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007	ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007

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**Number of Countries
products exported**

Downstream industries our product caters



Water
Treatment



Emulsions
& Paints



Construction



Pharmaceutical



Agrochemical



Mining



Paper



Leather



Oil Drilling



Personal Care

What makes Vinati Organics different

Eco-friendly

BOTH

Manufacturing plants are zero waste discharge

Employees

1,000+

Talented and skilled employees as on March 31, 2018

+650 increased from FY 2010-11

Gold rated

ECOVADIS

Appreciated and recognised for our CSR efforts by Ecovadis

Quality

~99.97%

Purity levels of our core products

Liquidity

₹13833 lacs ↑

Operating cash profit for 2017-18

481% increased from FY 2009-10

Trust

70%+

Revenue derived from customers associated for more than 5 years

CORPORATE INFORMATION

Board of Directors

Mr. Girish M. Dave, Non-Executive Chairman and Director
 Mr. Vinod Saraf, Managing Director
 Mr. C. B. Gokhale, Director
 Mr. A. A. Krishnan, Director
 Mr. R. K. Saraswat, Director
 Ms. Vinati Saraf Mutreja, Executive Director
 Ms. Viral Saraf Mittal, Director - Corporate Strategy
 Mr. Mohit Mutreja, Director
 Mr. Sunil Saraf, Director

Company Secretary Cum Finance Controller and Compliance officer

Mr. Gunvant S. Singhi

Bankers

State Bank of India
 Citibank N.A.

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

Sharex Dynamic (India) Pvt. Ltd.,
 Unit No. 1, Luthra Indl. Premises, Safed Pool,
 Andheri-Kurla Road, Mumbai – 400 072.

Corporate Office

Parinee Crescenzo, 1102, 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 Twenty ninth Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March 2018.

1) FINANCIAL RESULTS

The summarised position of these results is given below:

	2017-2018	(₹ in Lacs) 2016-2017
Net Sales/Income from Operations	75587.44	68133.32
Other Income	1702.15	1248.34
Total Income	77289.59	69381.66
Profit before Finance cost, Depreciation & Taxes	22794.70	22943.34
Finance cost	121.09	186.25
Profit before Depreciation & Taxes	22673.61	22757.09
Depreciation & Amortisation Expense	2336.26	2160.56
Profit before Taxation	20337.35	20596.53
Provision for Taxation - Current	5555.71	4784.38
Deferred	1130.63	2010.99
Earlier year adjustment	(737.11)	(226.35)
Profit for the year	14388.12	14027.51
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Remeasurements of Defined benefit plans	(18.37)	(222.47)
Income Tax relating to items that will not be reclassified to profit or loss	6.36	76.99
Total other comprehensive income for the year, net of tax	(12.01)	(145.48)
Net Profit for the year	14376.11	13882.03

2) REVIEW OF OPERATIONS

The net sales/Income from operations during the year has gone up to Rs.75587.44 Lacs from Rs. 68133.32 Lacs.

3) DIVIDEND

Your Directors are pleased to recommend a dividend of 225% i.e. Rs.4.50 per equity share.

The total outgo on dividend account will be Rs.2787.96 Lacs (inclusive of dividend distribution tax).

The dividend is tax free in the hands of the shareholders.

4) SUBSIDIARY COMPANY

The Company does not have any subsidiary company.

5) PROSPECTS

To further its growth plans the company is undertaking capital expenditure of around Rs.300 crores towards the below mentioned projects.

- Butyl Phenols (Isobutylene Based Downstream Products): Work related to Butyl Phenol Project is in full swing at Lote site.

- The debottlenecking of ATBS capacity from 26000 TPA to 30000 TPA, expected to be ready by 1st September, 2018.

6) TURNOVER AND PROFIT (OPERATING RESULTS)

The Company achieved gross turnover of Rs.77322.53 Lacs as compared to Rs. 68820.34 Lacs in the previous year. The net profit after tax increased to Rs.14388.12 Lacs as compared to Rs. 14027.51 Lacs in the previous year.

7) INSURANCE

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

8) DIRECTORS

As per Section 149(4) of the Companies Act, 2013 every listed company shall have atleast one third of the total number of directors as independent directors. They shall hold office for a term upto five consecutive years on the Board of the Company as per section 149(10).

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

Out of remaining 5 directors 3 are executive directors. Therefore Mr. Mohit Mutreja and Mr. Sunil Saraf retire at the ensuing Annual General Meeting and being eligible for re-appointment. Mr. Sunil Saraf offers himself for re-appointment and Mr. Mohit Mutreja does not offer for reappointment.

9) AUDITORS' REPORT

The observations of the present Auditors as referred to in the Auditors' Report are suitably explained in the Notes to the Accounts.

10) 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 31.03.2019, subject to the approval of Central Government, if required.

The Audit Committee has received a Certificate from the Cost Auditors certifying their independence and arm's length 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 31.03.2017 was 28.02.2018 and the same was filed on 19.02.2018 vide SRN No.: G77048379 with the Ministry of Corporate Affairs, New Delhi.

11) 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.

12) FINANCE

The long term borrowings are raised through External Commercial Borrowings (ECBs) and Foreign Currency Term Loan (FCTL) from Banks and Financial Institutions.

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

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

15) 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 its employees to ensure their ongoing education.

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

16) 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.

17) LISTING

The Company's equity shares continue to be listed at BSE & NSE. We confirm that the Listing fee for the financial year 2017-2018 has been paid to them. The stock code of the company at BSE is 524200 and NSE is VINATIORGA.

18) 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 material departures in adoption of these standards;
- 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 2017-18.

19) 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.

20) MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH, 2018)

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY18) of the Company to which the Financial Statements relate and the date of this report.

21) 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 stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. (See **Annexures 'B', 'C' & 'D'**)

22) EMPLOYEES

The Company is required to make disclosure under section 134 of the Companies Act, 2013 for its employee drawing remuneration in excess of Rs.60 Lacs per annum or Rs.5 Lacs per month. (**See Annexure 'E'**)

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%

23) 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.

24) CORPORATE DEVELOPMENT:

Pursuant to the Company's Letter of Offer dated 6th October 2017, a buy-back of 2,00,000 fully paid equity shares @ Rs. 1,200 per share were offered and accepted for buyback. The buyback process was completed by extinguishment of the surrendered shares and the Company has complied with all the requirements of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 as in connection with the Company's buyback of shares.

25) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company as on 31st March, 2018 comprised the following 3 Directors of the Company:

1. Mr. R. K. Saraswat: Independent Director - Chairman
2. Mr. Girish M. Dave: Independent Director - Member
3. Mr. C.B. Gokhale: Independent Director - Member

26) ESOP/ ESOS

The Company has not issued any ESOP or ESOS.

27) SWEAT EQUITY

The Company has not issued any sweat equity.

28) PREFERENTIAL ALLOTMENT

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

29) REDEMPTION OF SHARES/ DEBENTURES

The Company has not redeemed any Shares or Debentures.

30) SHAREHOLDER'S RESOLUTION

Employee Stock Option Scheme, 2008 for 2,00,000 equity shares face value of Rs.10/- each was approved in annual general meeting held on 27.09.2008. So far same is not implemented. Same is being reconsidered.

31) DISQUALIFICATION OF DIRECTOR

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

32) INSIDER TRADING PROCEEDINGS/ ENQUIRY

Letter was received from SEBI inquiring about of purchase of equity shares by two employees on 29.02.2012 and same was replied on 5th March, 2012. Letter was written to SEBI for purchase of equity shares by one employee on 06.06.2012. And as on date we have not received any further communication.

33) CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee was constituted on 10th May, 2014 and reconstituted on 26th February, 2015 as per Clause 49 of Listing Agreement for Corporate Governance. This committee comprises of 4 directors of the Company.

All the members of Corporate Social Responsibility Committee mentioned above i.e. Mr. Vinod Saraf,

Managing Director, Mr. R. K. Saraswat, Director, Ms. Vinati Saraf Mutreja, Executive Director & Ms. Viral Saraf Mittal, Director - 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 Rs.18835.60 Lacs. Prescribed CSR expenditure is Rs.376.71 Lacs. Details of CSR spent during the financial year 2017-18 are as per **Annexure 'F'** enclosed. Amount unspent during the year is Rs.307.53 Lacs as good projects were not found till 31.03.2018. The Corporate Social Responsibility (CSR) policy of the Company has been posted on website of the Company at 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, Executive Director, Ms. Viral Saraf Mittal, Director - 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 2017-18, No complaints were received by the Company. The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Sexual Harassment policy of the Company has been posted on website of the Company at www.vinatiorganics.com.

35) MGT - 9

Extract of Annual Return for financial year ended 31.03.2018 (Pursuant to section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014) in Form No. MGT-9 is enclosed (**Annexure 'G'**).

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, 2018 (**Annexure 'H'**).

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.

38) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

The Company had not given any loans and guarantees. The Company had made investments in mutual fund units amounting to Rs.11770.23 Lacs as given below:

In mutual fund units	
727,312 Units (31st March, 2017 - 0)	
Mutual Fund Units of Kotak Select Focus fund	Rs.231.41 Lacs
17,063 Units (31st March, 2017 - 0)	
Mutual Fund Units of ICICI Prudential Flexible Income	Rs.18.04 Lacs
95,230 Units (31st March, 2017 - 0)	
Mutual Fund Units of Kotak Treasury Advantage Fund	Rs.9.67 Lacs
34,557,634 Units (31st March, 2017 - 0)	
Mutual Fund Units of ICICI Prudential Equity Arbitrage Fund	Rs.4713.32 Lacs
53,679,556 Units (31st March, 2017 - 0)	
Mutual Fund Units of Kotak Equity Arbitrage Fund	Rs.5739.31 Lacs
9,983,316 Units (31st March, 2017 - 0)	
Mutual Fund Units of Edelweiss Arbitrage Fund	Rs.1058.48 Lacs
Total	Rs.11770.23 Lacs

39) DEPOSITS FROM PUBLIC

This 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, Managing Director & CEO	31.10
2.	Ms. Vinati Saraf Mutreja, Executive Director	21.77
3.	Ms. Viral Saraf Mittal, Director – Corporate Strategy	12.44

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 etc.	% increase in remuneration in the financial year
1.	Mr. Vinod Banwarilal Saraf, Managing Director & CEO	10%
2.	Ms. Vinati Saraf Mutreja, Executive Director	10%
3.	Ms. Viral Saraf Mittal, Director – Corporate Strategy	10%
4.	Mr. Jayesh Ashar, Chief Operating Officer	13.2%
5.	Mr. N. K. Goyal, Chief Financial Officer	11.7%
6.	Mr. G. S. Singhi, Company Secretary cum Finance Controller	10.9%

c. The percentage increase in the median remuneration of employees in the financial year: 4%

d. The number of permanent employees on the roll of Company: 710

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 FY18 (Rs. in Lacs)	433.45
Revenue (Rs. in Lacs)	75587.44
Remuneration of (KMP) as a percentage of revenue	0.57%
Profit before tax (PBT) (Rs. in Lacs)	20337.35
Remuneration of (KMP) as % of PBT	2.13%

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, 2018	March 31, 2017	% change
Market capitalization (Rs. In Lacs)	462519.23	391059.97	18%
Price earnings ratio	27.97	28.07	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, 2018 (₹)	November 11, 1991 (IPO)*	% change
Market Price (BSE)	900	1.33	67569
Market Price (NSE)	903	1.33	67795

* Adjusted for 1:2 bonus issue in 2007 and split of Face Value of shares from Rs.10/- to Rs.2/- 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 each remuneration of the key managerial personnel against the performance of the Company:

Name	Total Remuneration	% of revenue 75587.44	(Rs. in Lacs) % of net profit before tax 20337.35
Mr. Vinod Banwarilal Saraf, Managing Director & CEO	125.96	0.16	0.62
Ms. Vinati Saraf Mutreja, Executive Director	96.28	0.13	0.47
Ms. Viral Saraf Mittal, Director – Corporate Strategy	53.92	0.07	0.27
Mr. Jayesh Ashar, Chief Operating Officer	73.66	0.10	0.36
Mr. N. K. Goyal, Chief Financial Officer	57.46	0.08	0.28
Mr. G. S. Singhi, Company Secretary cum Finance Controller	26.17	0.03	0.13

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) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. [Annexure 'I']. 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.

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 'J'** 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 Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

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 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 31st March, 2018, 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 'K')**

45) NUMBER OF MEETINGS OF THE BOARD

Four meetings of the board were held during the year. 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, 5,59,812 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 2017-18. 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. 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:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, 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 2018-19, on such remuneration as mentioned in the Notice of the ensuing 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, 2018. 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, 2018 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.

52) BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report is set out in **Annexure 'L'** of this report and is also available on Company's website.

53) AWARDS:

Financial Express CFO of the year 2018 awarded in the medium enterprises category to Mr. N. K. Goyal. The Company appreciates his efforts and congratulated to Mr. N. K. Goyal.

54) 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.

*For and on behalf of the Board of
Directors*

Mumbai
12th May 2018

Girish M. Dave
Non-Executive Chairman

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.

better production efficiencies and has spent Rs.31.66 Lacs on R&D during the year.

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

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.

(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.

(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

d) FOREIGN CURRENCY EARNINGS AND OUTGO

The details of Foreign Exchange Earnings & Expenditure in Foreign Currency is given in Note No. 29 of Notes to Accounts in Annual Report.

ANNEXURE B

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd.)

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(a) Composition

The Company has a combination of Executive and Non-Executive Directors. The Company has one Non-Executive Chairman. The number of Independent Directors is 4.

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 9 Directors comprising one Non-Executive Chairman, one

Managing Director, one Executive Director, one Director – Corporate Strategy and five Non-Executive 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 retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Mr. Mohit Mutreja does not offer for reappointment. The Board wishes to place on record its appreciation for his valuable contribution during his association with the Company.

(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 2017-2018 and the gap between two meetings did not exceed four months:

Date of the Meeting	Total Strength	No. of Directors present
13 th May 2017	9	8
11 th August 2017	9	7
7 th November 2017	9	8
3 rd February 2018	9	9

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, 2018 are given below:

Name	Category	No. of Board Meetings Attended during 2017-18	Whether attended AGM held on on 29 th July 2017	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
					Chairman	Member
Mr. Vinod Saraf Managing Director	Promoter, Non-Independent Executive	4	Yes	1	-	-
Mr. Girish M. Dave (Chairman – Non-Executive)	Independent Non-Executive	4	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	2	No	-	-	-
Mr. A.A. Krishnan (Director)	Independent Non-Executive	3	No	1	-	1
Mr. Sunil Saraf Director	Promoter, Non-Independent Non-Executive	4	No	1	-	-
Ms. Vinati Saraf Mutreja Executive Director	Promoter, Non-Independent Executive	4	No	1	-	-
Ms. Viral Saraf Mittal Director- Corporate Strategy	Promoter, Non-Independent Executive	3	No	1	-	-
Mr. Mohit Mutreja Director	Promoter, Non-Independent Non-Executive	4	No	-	-	-

(c) 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.

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

Sr. No.	Name of Directors – Non-executive	₹ in Lacs
1.	Mr. Girish M. Dave	2.25
2.	Mr. R. K. Saraswat	3.25
3.	Mr. C. B. Gokhale	1.25
4.	Mr. A. A. Krishnan	1.00

Sr. No.	Name of Directors – Non-executive	₹ in Lacs
5.	Mr. Sunil Saraf	1.00
6.	Mr. Mohit Mutreja	1.00

(e) Shareholdings of Directors as on 31.03.2017 are as under:

S r. 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 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 and 18th June 2009 and once again it was reconstituted on 24th January 2011. The terms of reference of the Audit Committee as stipulated by the Board are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Composition

The Audit Committee of the Company as on 31st March, 2018 comprised the following 3 Directors of the Company:

1. Mr. R. K. Saraswat	Independent Director - Chairman
2. Mr. Girish M. Dave	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 last financial year.

Date of the Meeting	Total Strength	No. of Directors present
13 th May 2017	3	2
11 th August 2017	3	2
7 th November 2017	3	3
3 rd February 2018	3	3

The necessary quorum was present at the meetings.

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

(d) Terms of reference

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

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 companies.

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, Managing Director
- (ii) Ms. Vinati Saraf Mutreja, Executive Director
- (iii) Ms. Viral Saraf Mittal, Director-Corporate Strategy

Mr. G. S. Singhi being the Company Secretary cum Finance Controller of the Company acts as the Secretary to the Committee. The Committee met 12 times during the year 2017-2018 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. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

The Company has an independent Shareholders' Grievance 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 Shareholders'/Investors' Grievance 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 - Managing Director
3. Ms. Vinati Saraf Mutreja	Member - Executive Director

(c) Meetings & Attendances

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

Date of the Meeting	Total Strength	No. of Directors present
31 st March 2017	3	2

A total number of 29 complaints were received and all of which were, redressed by the Company during the year 2017 - 2018

Mr. G.S. Singhi being the Company Secretary cum Finance Controller of the Company acts as the Secretary to the Committee and is the compliance officer.

Corporate Governance and again it was reconstituted on 27.10.2012 which was renamed Nomination & Remuneration Committee on 3rd May 2014.

(b) Composition

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

1. Mr. Girish M. Dave	Independent Director – Chairman
2. Mr. A. A. Krishnan	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.

7. NOMINATION & REMUNERATION COMMITTEE**(a) Constitution**

The Remuneration Committee was constituted on 28th July 2010 as per Clause 49 of Listing Agreement for

(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 2018

Managerial remuneration	(₹ in Lacs)		
Name	Salary & Allowances	Contribution to PF	Other Perquisites
Mr. Vinod Saraf Managing director	114.35	10.54	1.07
Ms. Vinati Saraf Mutreja Executive Director	85.21	7.38	3.68
Ms. Viral Saraf Mittal Director – Corporate Strategy	48.21	4.17	1.54
Total:	247.77	22.09	6.29

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

- Mr. Girish M. Dave, Chairman – Non-Executive
- Ms. Vinati Saraf Mutreja, Executive Director
- Ms. Viral Saraf Mittal, Director – Corporate Strategy
- 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.

8. RISK MANAGEMENT COMMITTEE**(a) Constitution**

The Risk Management Committee was constituted on 27th January 2015 as per Clause 49 of Listing Agreement for Corporate Governance.

(b) Composition

The Risk Management Committee was comprised of the following 5 Directors of the Company:

- Mr. Vinod Saraf, Managing Director

(c) Power of Risk Management Committee:

The Committee is authorised 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 constituted on 12th May 2012 as per Clause 49 of Listing Agreement for Corporate Governance. This committee comprised the following 4 directors of the Company:

(b) Composition

The Finance Committee was comprised the following 4 Directors of the Company:

Mr. Vinod Saraf, Managing Director
Ms. Vinati Saraf Mutreja, Executive Director
Mr. Mohit Mutreja, Director
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

The Finance Committee met on the following date during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
8 th February 2018	4	2

(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

The Corporate Social Responsibility Committee was constituted on 10th May 2014 and reconstituted on 27th January 2015 as per Clause 49 of Listing Agreement for Corporate Governance.

(b) Composition

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

Mr. Vinod Saraf, Managing Director
Mr. R. K. Saraswat, Director
Ms. Vinati Saraf Mutreja, Executive Director
Ms. Viral Saraf Mittal, Director- Corporate Strategy

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

(c) Meetings & Attendances

The Corporate Social Responsibility Committee met on the following date during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
21 st March 2018	4	3

(d) Power of Corporate Social Responsibility Committee:

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

11. SEXUAL HARASSMENT COMMITTEE:

(a) Constitution

The Sexual Harassment Committee was constituted on 25th January 2014 as per Clause 49 of Listing Agreement for Corporate Governance. This committee comprised of the following 2 Directors of the Company:

(b) Composition

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

Ms. Vinati Saraf Mutreja, Executive Director
Ms. Viral Saraf Mittal, Director- Corporate Strategy
Ms. Priyanka Kheruka - Member

(c) Meetings & Attendances

The Sexual Harassment Committee met on the following date during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
27 th March 2018	3	2

(d) Power of Sexual Harassment Committee:

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

12. INDEPENDENT DIRECTORS MEETING:

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

Date of the Meeting	Total Strength	No. of Directors present
20 th March, 2018	4	4

13. GENERAL BODY MEETING

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

Year	Location	Date	Day	Time	No. of Special business passed
26 th AGM - 2015	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.	08/08/2015	Saturday	12 Noon	1
27 th AGM - 2016	- do -	06/08/2016	Saturday	12 Noon	2
28 th AGM - 2017	- do -	29/07/2017	Saturday	12 Noon	2

None of the special resolutions were put through postal ballot.

14. DISCLOSURES**(a) Related Party Transactions**

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management or relatives, which may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in note No. 29 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

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

(d) No personnel have been denied access to Audit Committee. The Board periodically reviews risk assessment and minimisation 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 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)

(j) Share Transfer Committee (As detailed in separate head of Share Transfer Committee)

(k) Shareholders' Grievance Committee (As mentioned under the head of Shareholders' Grievance 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 said 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 & 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. Gunvant S. Singhi, Company Secretary Cum Finance Controller is the Compliance Officer.

18. GENERAL SHAREHOLDER INFORMATION

(a) Annual General meeting Date, Time & Venue	28 th July, 2018 at 12.00 Noon at Regd. Office, at B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.
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(b) Financial Calendar

Annual General Meeting	28 th July, 2018
Unaudited results for the quarter ending Jun'18	4 th week of Jul'18
Unaudited results for the quarter/half year ending Sept' 30, 18	4 th week of Oct'18
Unaudited results for the quarter ending Dec' 31, 18	4 th week of Jan'19
Audited results for the quarter ending Mar' 31, 19	2 nd week of May'19
Date of book Closure	19 th July, 2018 to 28 th July, 2018
Dividend payment date	1 st August, 2018

(c) Listing on Stock exchange

The Company's Securities are listed on the following stock exchanges in India:

Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001, Maharashtra.

National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1, 'G' Block,

Bandra-Kurla Complex,

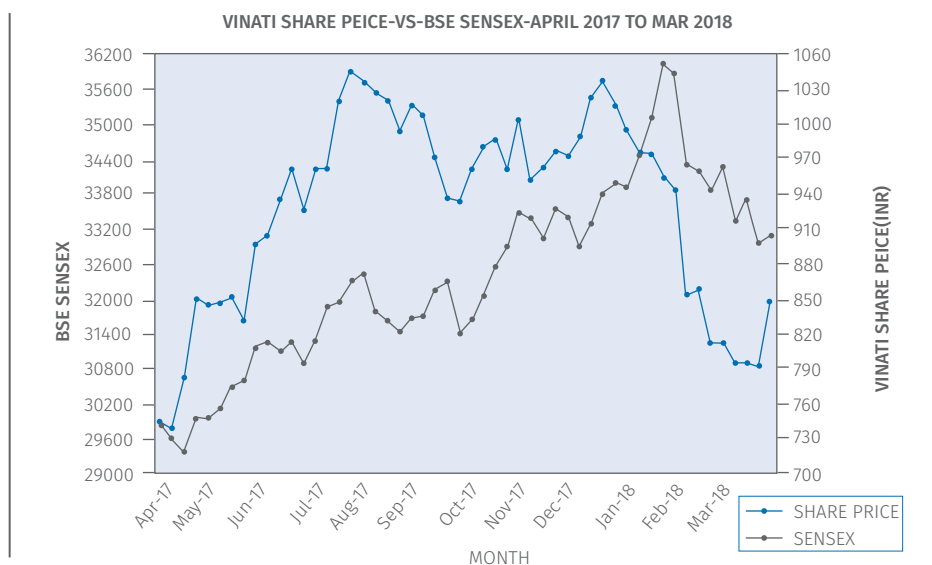
Bandra (East), Mumbai – 400 051, Maharashtra.

(d) Stock Code : Bombay Stock Exchange Ltd.	524200
National Stock Exchange of India Ltd.	VINATIORGA
Demat ISIN in NSDL and CDSL for Equity Shares	INE410B01029

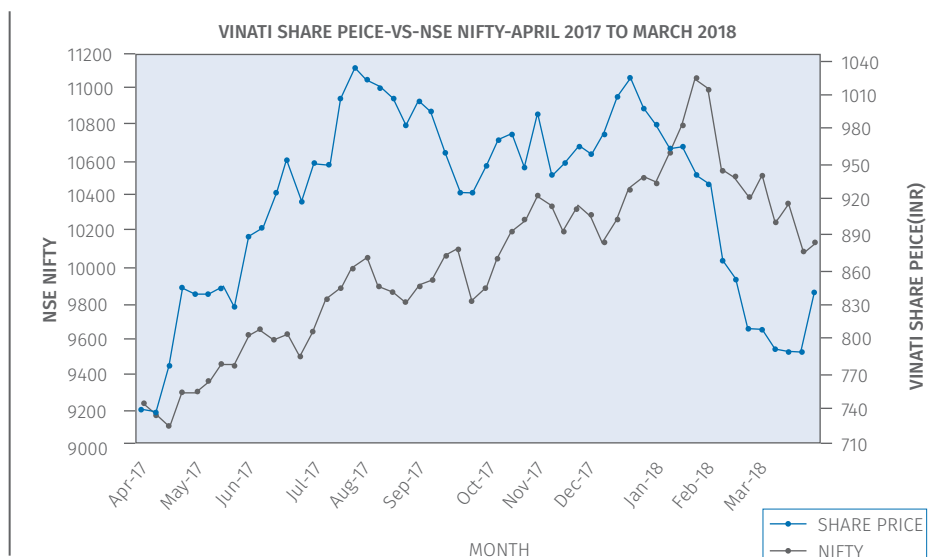
(e) Market Price Data:

Month & Year	Bombay Stock Exchange Ltd. (in ₹)		National Stock Exchange of India Ltd. (in ₹)	
	High	Low	High	Low
Apr – 2017	894	722	893	721
May – 2017	933	805	936	814
Jun – 2017	1001	890	1007	886
Jul – 2017	1069	923	1073	927
Aug – 2017	1122	920	1125	925
Sep – 2017	1044	840	1049	858
Oct – 2017	1027	917	1025	922
Nov – 2017	1035	880	1042	873
Dec – 2017	1060	960	1057	963
Jan – 2018	1010	918	1013	910
Feb – 2018	964	760	970	756
Mar – 2018	905	769	911	765

(f) The performance of the Company's shares relating to the BSE Index for the year 2017-2018 is given below:



(g) The performance of the Company's shares relating to the NSE Index for the year 2017-2018 is given below:



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

Add.: Unit No.1, Luthra
Indl. Premises, Safed
Pool, Andheri-Kurla Road,
Mumbai – 400 072.
Maharashtra.

Tel
Fax
E-mail
Website
Business Hours

Tel : 2851 5606 / 2851 5644 / 2851 6338

Fax : 2851 2885

E-mail : sharexindia@vsnl.com

Website : www.sharexindia.com

Business Hours : 11.00 a.m. to 1.00 p.m. & 2.00 p.m. to 4.00 p.m.
(Monday to Friday)

(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 dematerialisation are confirmed within 15 days.

(j) Distribution of Shareholding as on 31st March 2018.

Category	No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1 To 100		9659	54.45	342945	0.67
101 To 200		2255	12.71	334432	0.65
201 To 500		1885	10.63	656043	1.28
501 To 1000		2896	16.32	2167082	4.22
1001 To 5000		880	4.96	1885138	3.67
5001 To 10000		68	0.38	475629	0.93
10001 To 100000		75	0.42	2087464	4.06
100001 and above		23	0.13	43442292	84.52
Total		17741	100.00	51391025	100.00

(k) Category of shareholders as on 31st March 2018.

Category	No. of share holders	Voting strength (%)	No. of ordinary shares
Individuals	16296	13.008	6684150
Promoters	5	74.009	38034216
Other Companies	277	1.134	583004
Non-Resident Individuals	638	0.362	185901
Nationalized Banks, Mutual funds and trusts	15	6.281	3227700
FII	53	3.711	1907363
Clearing Members	82	0.049	25275
HUF	374	0.357	183604
IEPF MCA Account	1	1.089	559812
Total	17741	100	51391025

(l) Dematerialisation of shares and liquidity

50112270 (Total shares demated with NSDL is 33216279 & CDSL is 16895991) of the Company's share capital is dematerialized as on 31.03.2018. The Company's shares are regularly traded on Bombay Stock Exchange 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) Address of Registered Office:

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

(o) 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.

(p) Investor's Correspondence Address:

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

CEO / CFO CERTIFICATE

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31/03/2018 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
12th May, 2018

Vinod Saraf, (C.E.O.) / N. K. Goyal (C.F.O.)

DECLARATION

I, Vinod Saraf, Managing Director of Vinati Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2018.

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 2018.

On behalf of the Board of
Directors

Mumbai
12th May, 2018

Vinod Saraf
Managing Director

ANNEXURE C

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 2018, 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).
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

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.

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 2018.
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

(N. Kashinath)

Membership No. 36490

Partner

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

Dated: 12th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

Global Economy Overview

The world economy is going through a cyclical movement with revival in growth rates supported by recovery in investments, and a rebound in trade and manufacturing activities. This improvement in economy is mainly due to better global financial conditions, especially accommodative policies, and enhanced confidence. The global economy experienced a broad-based growth where expansion was witnessed in more than half of the world economies. In 2016, the world economy grew at 3% as against that of 2.4% in 2018. This is mainly due to favourable financing costs, increase in profits, and improvement in market sentiments.

The growth in advanced economies was mainly driven by a rise in capital spending, improved turnaround in inventories, and enhanced external demand. During the year, there was also an increase in investment by the advanced economies. This was mainly due to robust gross fixed capital formation, and an acceleration in stock building along with stronger balance sheets. Moving ahead, the growth in advanced economies is forecasted to slowdown as the labor market slack diminishes and monetary policy accommodation is gradually uncoiled.

The growth of Emerging Markets and Developing Economies (EMDEs) can be attributed to stabilization in activities of commodity exporters and steady growth in commodity importers. It is expected that going forward the growth of global economy will primarily be driven by growth in EMDEs. A rise in private consumption along with growth in optimistic exporters, is expected to drive the growth of EMDEs at 4.5% in 2018 and further at an average of 4.7% between 2019 and 2020.

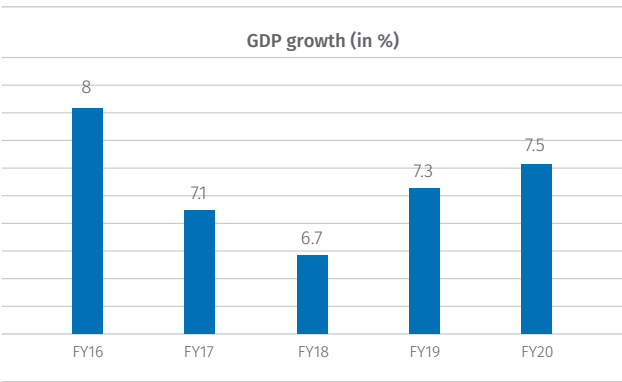
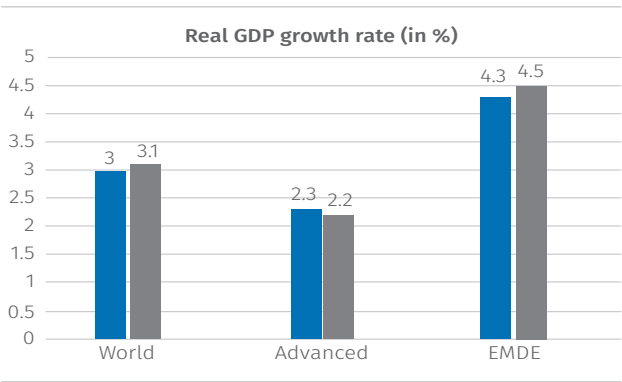
With continuation of cyclical momentum, the global economy is expected to grow at 3.1% in 2018. The fastest growing regions in the world is expected to be East Asia and the Pacific with

high growth anticipated to be seen in China's economy. Growth of South Asia is expected to be driven by a huge growth in Indian economy. With most of the advanced economies nearing its inflation targets, withdrawal of quantitative easing is expected to be witnessed in these countries. This will mainly be done with the aim to improve their balance sheet conditions. (Source: Global economic prospects, World Bank)

Indian Economic Overview

India is third largest economy of Asia with a GDP of \$2.6 trillion. The Indian economy has experienced an escalation in momentum in reforms, and a cyclical trend in growth rate during the year under review. During the year, government had taken several initiatives such as GST to bring in the concept of one tax one nation, bank recapitalization to deal with challenge posed by higher Non-performing assets, and further liberalization of FDI. After registering a high growth rate of 7% in 2016-17, the economy moved ahead to a slower growth rate of 6.7% in 2017-18. This happened as businesses were adjusting with the GST during Q1 of FY18. A revival was seen in the growth of exports during 2016-17, and this pace of growth further strengthened during 2017-18.

During the year, there was an increase in government spending on account of various reforms along with a fall in government revenue. This led to a rise in fiscal deficit from previous budgeted level of 3.2% of GDP to 3.5% of GDP. India achieved a new height by increasing its foreign exchange reserve at \$422.5 billion in the last week of March 2018. The reserve is expected to be sufficient to satisfy the forex requirements of next 10 months. (Source: World Bank and Economic Survey 2017-18)



Outlook

Going ahead the Indian economy is expected to expand at 7.3% during 2018-19 supported by a strong growth in private consumption and services. A revival is expected to be seen in private investments as the corporate sector adjusts to GST. Over the medium term, it is anticipated that GST will benefit economic activity and fiscal sustainability by helping the country towards formalization, and initiating an expansion in tax base. Exports are expected to go up with India and China setting up a roadmap to boost bilateral trade. Indian economy is expected to be on a path of growth where the country will experience a rise in production, demand, and income. Despite of a continuous rise in the price of crude oil, the economy is expected to continue on this growth momentum and be a \$5 trillion economy by 2027. (Source: World Bank; Economic Times)

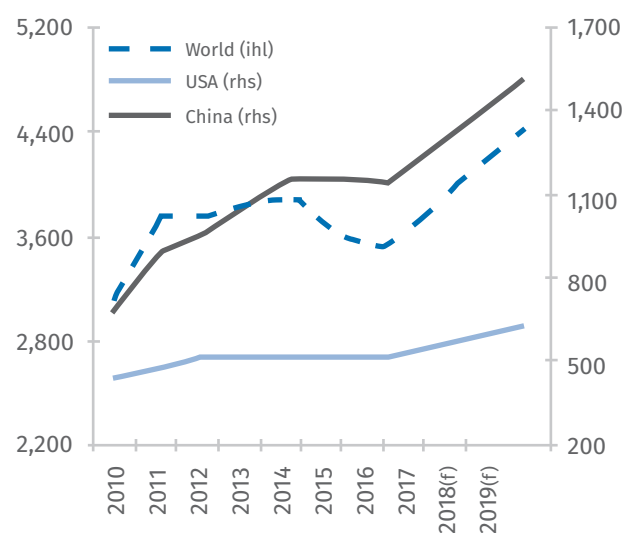
Industry Overview

Global Chemical Industry

The chemical industry is one of the largest manufacturing industries of the world. Chemical is a cyclical business and in line with GDP. This is because most of the chemicals are used during the early stages of manufacturing. During the year, chemical industry went through a phase of improvement in production and sales. The global chemical industry is estimated to have grown at 3.5% during 2017. This is mainly due to growth in key chemical markets China and US. Driven by global economic growth and rise in naphtha prices resulted in a growth of 9% in sales in 2017 as compared to that of 2016. The chemical sales during 2017 reached to a level of \$308 trillion. (Source: BASF; HIS Markit; Oxford Economics)

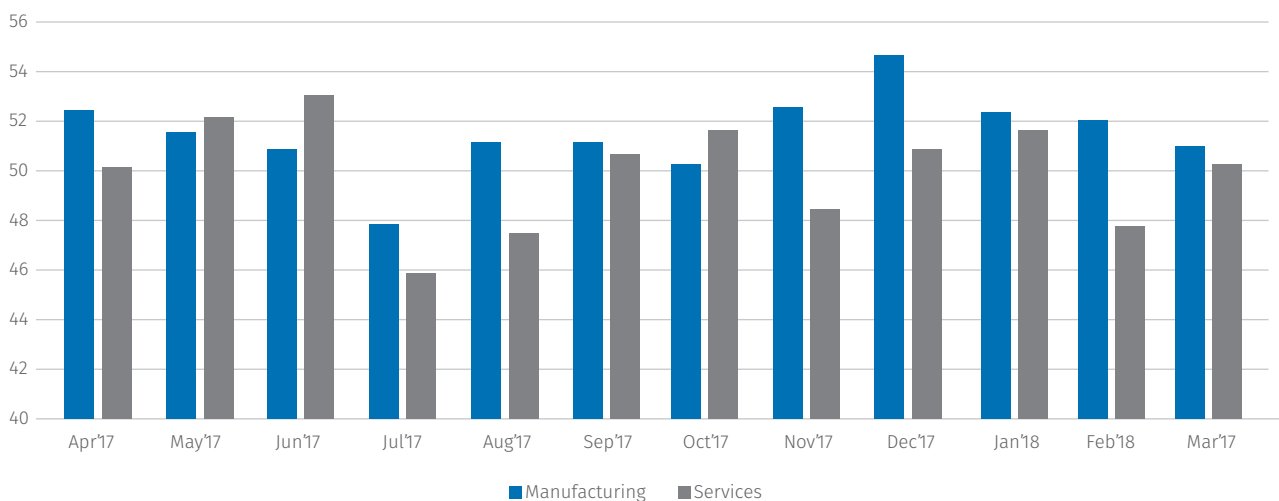
China is world's largest market for chemical, and with rise in consumer demand the global chemical industry is expected to get a boost. During the year, China experienced a steady growth in chemicals such as polyurethane materials and other such chemicals. The chemical output of US is expected to have grown at 2.9% in 2017, with a growth in industrial companies that supply raw material to the chemical industry. According to American Chemical Council (ACC) each vehicle constitutes of around \$3500 worth of chemical products. (Source: Chemical and engineering news, World chemical outlook 2018)

Chemical sales (Nominal billions of USD)



Source: Oxford Economics

Purchasing Managers Index (PMI)



Source: Nikkei India, Markit Economis

Outlook

The chemical industry is expected to experience a sales growth of 6-8% between 2018 and 2019. The US chemical industry is expected to grow at 3.7% in 2018 with strong growth in the automobile industry. IHS Markit Global chemical PMI was at 52.6 during March, above the benchmark of 50. A rise in demand is expected to be witnessed by the chemical industry. This will happen with growth in electric vehicles sector across the world. The future output index of chemical industry reached a 37 month high during March, indicating that an output growth will be seen by the industry.

Indian Chemical Industry

The Indian chemical industry is one of the key industries of Indian economy. The chemical industry caters with more than 80000 products to downstream industries such as automotive, textile, pharmaceuticals, construction and engineering, etc. The chemical industry sector is valued at \$160 billion, making India the 6th largest market for chemical in world. Given the requirement of chemical products and growth in different industries, India has the potential to be the fourth largest consumer of chemical in the world. The main challenge faced by Indian chemical industry is that over the years there has been an increase in gap between demand and supply. The export of Chemical increased from Rs.883371 crore till in 2016-17 (up to September 2016) to Rs.9337701 crore in 2017-18 (up to September 2017).

(Source: FICCI; Department of Chemical and Petrochemical)

Specialty Chemical Industry

Specialty chemicals are low volume and high value products that are sold on the basis of their quality and utility. In the specialty chemical sector, the focus is on value-addition to end product and technical specifications of the chemical.

The specialty chemical sector accounts for around 20% of the chemical industry of India. Over the past few years, a slowdown has been witnessed by the specialty chemicals industry of India. This has opened up scope for growth of the Indian specialty chemical industry. It is estimated that a double digit growth was recorded by specialty chemical industry of India between FY13 and FY17, mainly supported by low oil prices and strong domestic as well as exports demand. (Source: JM Financial; Economic Times)

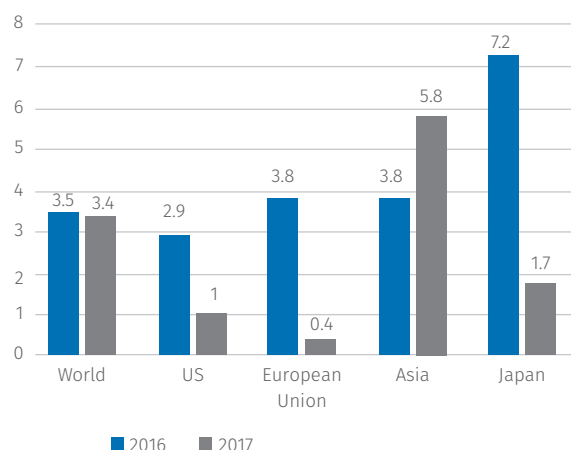
Outlook

With growth in downstream industries, the chemical industry of India is expected to grow at an increased pace in the years to come. The Indian chemical industry is expected to grow at a CAGR of 8-10% to be a \$300 billion worth industry by 2025. The specialty chemical sector is expected to grow at a CAGR of 10% and almost double its market size by 2025. It is expected that specialty chemical industry will witness a high growth in demand from the end user industries. With government's focus on affordable housing, agriculture, and infrastructure development, the specialty chemical industry is expected to get a boost. (Source: Times of India; India Ratings, Economic Times)

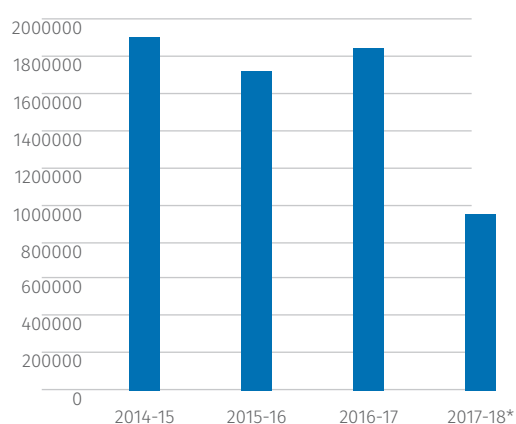
Box Item

The Petroleum, Chemicals, and Petrochemical Investment Regions (PCPIRs) policy was launched by government during 2015 with the aim to promote investment in this sector, and make India a hub in both domestic and international chemical markets. The PCPIRs would have best in class infrastructure, and have a competitive environment for attracting companies to set up businesses. They would thus boost the manufacturing, exports, and lead to generation of employment. PCPIR would be an area of 250 square kilometer primarily for establishment of manufacturing facilities of petroleum, chemical, and petrochemical products along with the related service and infrastructure.

Chemical Production (Real Change in %)



Export of Chemical and Chemical products (in ₹ crore)



Source: BASF

Source: Department of Chemical and Petrochemical

*The figure for 2017-18 is up to September 2017

Box Item ends**Company Overview**

Vinati Organics Limited (VOL) is a specialty chemical company that focuses on manufacturing of specialty chemicals and organic intermediaries. It is among the few companies that have been able to deal with the cost advantage of Chinese counterparts over the past few years. Advanced technology, economies of scale, and environment friendly processes, have helped the company to be a key manufacturer in specialty chemicals that is used in various products.

IBAS Framework**Innovation**

The company is very strong in terms of process innovation, where it has established a process which is greener as well as cheaper. The company is also good with backward and forward integration and has successfully adopted techniques which helps it to reduce operating costs.

Brand

Over the years, the company has developed a unique place for itself within the specialty chemical industry. The company has acquired a position among some of the top players of specialty chemical industry.

Architecture

The company has successfully enabled a strong sense of culture and purpose in its people. With clear vision the company has achieved a steady growth along with quality products.

Strategic Assets

The company has established a strong relationship with the clients, and with other business partners. The company has established a competent and efficient team of people for Research and Development, which enables it to continuously innovate its products.

Research and Development (R&D)

Over the years, the company has launched several new products by establishing a R&D unit that innovates products and helps to attain better production efficiencies. We have a dedicated team of experienced scientists who provide us with a strong base for introducing new products, and process development, quality, safety standards and environmental protection. We will continue to invest towards technological development that not only improves our product and process, but also helps us to minimize the impact of climate change.

Financial Review

During the year, the company experienced an increase of 10.94% in its revenue from operations from Rs.68133.32 lakhs in 2016-17 to Rs.75587.44 lakhs in 2017-18.

In 2017-18, the company recorded a strong EBITDA margin of 27.90% and it increased the Net profit by 3.56% from Rs.13882.03 lakhs in 2016-17 to Rs.14376.11 lakhs in 2017-18.

The Net Worth rose by 17.15% to Rs.79666.35 lakhs in 2017-18 as against that of Rs.68000.74 in 2016-17.

Outlook

The company's existing products are expected to grow robustly in FY19, with ATBS attracting significant growth as a result of growing applications and exit of a key competitor. To meet this growing demand, the company is undertaking to increase the ATBS capacity to 30000 MT and is expected to be completed by September 2018. IBB, which had flattish year during FY18 is also expected to rebound handsomely during FY19. The planned capex on the company's Butyl Phenols project is progressing well and is expected to start accruing revenues from FY20 onwards. All the capex is going to be funded through internal accruals.

Risk Mitigation**Economy Risk**

The high volatility in economy may affect chemical industry and other downstream industries to which the chemical industry serves its products. The company has established itself well in the industry and a change in economy might have a negligible impact on the company. With zero debt, and huge amount of equity the company will be financially stable in case of an economic downturn.

Location Risk

A high concentration at one location can pose a risk as with a slowdown in that region the performance of business might also be affected. The company exports its products to more than 20 different countries which helps it to deal with the location risk. A slowdown in chemical market in one country might be balanced with a growth in chemical market of another country.

Environment Risk

The company being a part of the chemical industry faces the risk of harming the environment by its activities. To deal with this the company has successfully taken measure to develop products which minimize the impact of climate change. The company has always focused on green chemistry to bring sustainable difference.

Industry Risk

The company operates in specialty chemical industry which serves to various end user industries. Specialty chemical industry serves as a base to provide raw material to various industries of the economy. Thus, the industry will experience a growth in future with growth in other downstream industries.

Debt Risk

Debt Risk arises when a company is unable to pay back its financial dues on time. Vinati Organics Limited has successfully established itself as a debt free company. Thus, this risk will have no effect on the company's operations. Moreover, a strong equity position of the company will help it to deal with this risk.

ANNEXURE E

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, 2018 employed for whole of the year.

Sr. No.	Name	Designation & nature of duties (as at March 31, 2017)	Qualification	Age (Yrs.)	Date of Joining	Experience	Gross Remuneration received (₹ in Lacs)	Previous employer	Designation
1	Mr. Vinod Banwarilal Saraf	Managing Director	Master of Business Administration from BITS, Pilani	68	15.06.1989	45	125.96	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2	Ms. Vinati Saraf Mutreja	Executive Director	Bachelors in Science in Economics & Engineering from University of Pennsylvania	34	20.05.2006	13	96.27	Mercer Oliver Wyman	Consultant

ANNEXURE F

1 Sr. No.	2 CSR Project or activity identified	3 Sector in which the project is covered	4 Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was under-taken	5 Amount outlay (budget) project or programs wise	6 Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	7 Cumulative expenditure up to the reporting period	8 Amount spent Direct or through implementing agency
1	Provided water charges social fund CETP charges, Police welfare fund, School activities, Training, Science exhibition, Computer, Construction of shed, Water pipelines, Plantation and other welfare schemes.	Rural Development, Environment, Technology Development & Education	Mumbai, Mahad, Lote & Ahmednagar (Maharashtra).	68.93	68.93	68.93	Direct
Total				68.93	68.93	68.93	

Vinod SarafChief Executive Officer
DIN : 00076708**R. K. Saraswat**Chairman
DIN : 00015095

ANNEXURE G

EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2018

[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:	Vinati Organics Ltd.
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., Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Mumbai - 400 072. Tel. No.: 022-28515606/5644, Email: sharexindia@vsnl.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	Suchir Chemicals Pvt. Ltd. Parinee Crescenzo, "G" Block, Plot No. C38 & C39, B/H. MCA, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	U24110MH1998PTC114423	Holding	46.215

D. SHARE HOLDING PATTERN**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	14331812	0	14331812	27.780	14284012	0	14284012	27.795	0.015
(b). Central Govt.						0			0.000
(c). State Govt(s).		0				0			0.000
(d). Bodies Corpp.	23829683	0	23829683	46.190	23750204	0	23750204	46.215	0.025
(e). FIINS / BANKS.		0	0			0			0.000
(f). Any Other		0				0			0.000
Sub-total (A) (1):-	38161495	0	38161495	73.970	38034216	0	38034216	74.010	0.040

D. SHARE HOLDING PATTERN

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(2). FOREIGN									
(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 / FI	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	38161495	0	38161495	73.970	38034216	0	38034216	74.010	0.040
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	3545389	0	3545389	6.872	3376682	0	3376682	6.571	-0.301
(b). Banks / FI	3328	0	3328	0.006	45	0	45	0.000	-0.006
(c). Central Govt.		0				0			0.000
(d). State Govt.		0			566707	0	566707	1.103	1.103
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0				0			0.000
(g). FIs	1086215	0	1086215	2.105	1907363	0	1907363	3.711	1.606
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B) (1):-	4634932	0	4634932	8.983	5850797	0	5850797	11.385	2.402
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	343159	9000	352159	0.683	418082	9000	427082	0.831	0.148
(ii). Overseas		0							0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	5312025	2011505	7323530	14.195	4831042	1267005	6098047	11.866	-2.329
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	784337	0	784337	1.520	769707	0	769707	1.498	-0.022
(c). Other (specify)									
Non Resident Indians	252225	4250	256475	0.497	183151	2750	185901	0.362	-0.135
Overseas Corporate Bodies	0	0	0	0	0	0	0	0.000	0.000
Foreign Nationals		0				0			0.000
Clearing Members	78097	0	78097	0.151	25275	0	25275	0.049	-0.102
Trusts		0				0			0.000
Foreign Boodies - D R		0				0			0.000
Sub-total (B) (2):-	6769843	2024755	8794598	17.046	6227257	1278755	7506012	14.606	-2.440
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11404775	2024755	13429530	26.029	12078054	1278755	13356809	25.991	-0.038
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	49566270	2024755	51591025	100	50112270	1278755	51391025	100.00	(0.002)

Shareholding of Promoters:

Sr No.	Shareholder's Name	Share holding at the beginning of the year 01/04/2017			Share holding at the end of the Year 31/03/2018			% change 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	23829683	46.19	0	23750204	46.215	0	0.025
2	VINOD SARAF	6973550	13.517	0	6950291	13.524	0	0.007
3	KAVITA SARAF	6228000	12.072	0	6207228	12.078	0	0.006
4	VINATI SARAF MUTREJA	607335	1.177	0	605310	1.178	0	0.001
5	VIRAL SARAF MITTAL	522927	1.014	0	521183	1.014	0	0.000

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

Sr No.	Shareholder's Name	Share holding at the beginning of the year 01/04/2017			Share holding at the end of the Year 31/03/2018			% of total Shares of the company
		No. of Shares at the beginning/end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	SUCHIR CHEMICALS PRIVATE LIMITED	23829683	46.19	01-04-2017				
				03-11-2017	-79479	Offered in Buyback	23750204	46.215
	-Closing Balance			31-03-2018			23750204	46.215
2	VINOD SARAF	6973550	13.517	01-04-2017				
				13-10-2017	-23259	Offered in Buyback	6950291	13.472
	-Closing Balance			31-03-2018	0		6950291	13.524
3	KAVITA SARAF	6228000	12.072	01-04-2017				
				20-10-2017	-20772	Offered in Buyback	6207228	12.032
	-Closing Balance			31-03-2018			6207228	12.078
4	VINATI SARAF MUTREJA	607335	1.177	01-04-2017				
				20-10-2017	-2025	Offered in Buyback	605310	1.173
	-Closing Balance			31-03-2018			605310	1.178
5	VIRAL SARAF MITTAL	522927	1.014	01-04-2017				
				13-10-2017	-1744	Offered in Buyback	521183	1.010
	-Closing Balance			31-03-2018			521183	1.014

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 total 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	977181	1.894	01-04-2017				
				21-04-2017	9899	Buy	987080	1.913
				28-04-2017	62133	Buy	1049213	2.034
				05-05-2017	10375	Buy	1059588	2.054
				19-05-2017	23778	Buy	1083366	2.100
				26-05-2017	31269	Buy	1114635	2.161
				28-07-2017	14706	Buy	1129341	2.189
				30-09-2017	5110	Buy	1134451	2.199
				01-12-2017	2082	Buy	1136533	2.212
				16-02-2018	-50000	Sold	1086533	2.114
				23-03-2018	-25000	Sold	1061533	2.066
	-Closing Balance			31-03-2018			1061533	2.066
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	559812	1.089	08-12-2017				
	-Closing Balance			31-03-2018		No Change	559812	1.089
3	GOLDMAN SACHS INDIA LIMITED	5179	0.01	19-05-2017				
				26-05-2017	30822	Buy	36001	0.070
				02-06-2017	157242	Buy	193243	0.375
				09-06-2017	463	Buy	193706	0.375
				16-06-2017	1618	Buy	195324	0.379
				23-06-2017	2885	Buy	198209	0.384
				30-06-2017	149142	Buy	347351	0.673
				14-07-2017	86671	Buy	434022	0.841
				21-07-2017	31818	Buy	465840	0.903

Sr No.	Name	No. of Shares at the beginning/end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
				13-10-2017	47490	Buy	513330	0.995
	-Closing Balance			31-03-2018			513330	0.999
4	MIRAE ASSET INDIA OPPORTUNITIES FUND	381930	0.74	01-04-2017				
				21-04-2017	9899	Buy	391829	0.759
				28-04-2017	55000	Buy	446829	0.866
				05-05-2017	13832	Buy	460661	0.893
				19-05-2017	29411	Buy	490072	0.950
				26-05-2017	23700	Buy	513772	0.996
				23-03-2018	-25000	Sold	488772	0.951
	-Closing Balance			31-03-2018			488772	0.951
5	HSBC MIDCAP EQUITY FUND	276173	0.535	01-04-2017				
	-Closing Balance			31-03-2018		No Change	276173	0.537
6	MIRAE ASSET INDIA SMALL-MID CAP FOCUS EQUITY MASTER INVESTMENT TRUST	109512	0.212	01-04-2017				
				21-04-2017	6725	Buy	116237	0.225
				28-04-2017	29368	Buy	145605	0.282
				05-05-2017	13781	Buy	159386	0.309
				19-05-2017	3040	Buy	162426	0.315
				26-05-2017	3557	Buy	165983	0.322
				02-06-2017	22856	Buy	188839	0.366
				14-07-2017	7053	Buy	195892	0.380
				21-07-2017	1830	Buy	197722	0.383
				29-12-2017	2900	Buy	200622	0.390
	-Closing Balance			31-03-2018			200622	0.390
7	TARAMATI BABUBHAI SHAH	170188	0.33	01-04-2017				
				27-10-2017	176	Buy	170364	0.330
				03-11-2017	-558	Sold	169806	0.330
				09-02-2018	279	Buy	170085	0.331
	-Closing Balance			31-03-2018			170085	0.331
8	ITPL - INVESCO INDIA MID N SMALL CAP FUND	216966	0.421	01-04-2017				
				19-05-2017	-14992	Sold	201974	0.391
				07-07-2017	-25550	Sold	176424	0.342
				08-09-2017	-2040	Sold	174384	0.338
				03-11-2017	-5257	Sold	169127	0.329
				05-01-2018	-12111	Sold	157016	0.306
	-Closing Balance			31-03-2018			157016	0.306
9	WHITE OAK INDIA EQUITY FUND	9300	0.018	08-12-2017				
				12-01-2018	7500	Buy	16800	0.033
				19-01-2018	13235	Buy	30035	0.058
				26-01-2018	10517	Buy	40552	0.079
				02-02-2018	5000	Buy	45552	0.089
				09-02-2018	35000	Buy	80552	0.157
				23-03-2018	59577	Buy	140129	0.273
	-Closing Balance			31-03-2018	9755	Buy	149884	0.292
10	INDIA ACORN FUND LTD	21879	0.042	30-09-2017				
				10-11-2017	55829	Buy	77708	0.151
				12-01-2018	7500	Buy	85208	0.166
				19-01-2018	11644	Buy	96852	0.188
				26-01-2018	3522	Buy	100374	0.195
				09-02-2018	12338	Buy	112712	0.219
				16-02-2018	35288	Buy	148000	0.288
	-Closing Balance			31-03-2018			148000	0.288
11	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FUND	141591	0.274	01-04-2017				
				07-04-2017	5000	Buy	146591	0.284
				26-05-2017	-30000	Sold	116591	0.226

Sr No.	Name	No. of Shares at the beginning/end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
				30-06-2017	10000	Buy	126591	0.245
				03-11-2017	-3811	Sold	122780	0.239
				09-02-2018	13819	Buy	136599	0.266
				23-02-2018	3450	Buy	140049	0.273
				09-03-2018	4119	Buy	144168	0.281
	-Closing Balance			31-03-2018			144168	0.281
12	LLOYD BAUGHAN MASTER FUND L.P.	152000	0.295	01-04-2017				
				10-11-2017	-2990	Sold	149010	0.290
				08-12-2017	-9010	Sold	140000	0.272
				22-12-2017	-4000	Sold	136000	0.265
				05-01-2018	-809	Sold	135191	0.263
				19-01-2018	-4818	Sold	130373	0.254
	-Closing Balance			31-03-2018			130373	0.254
13	TATA TRUSTEE CO. LTD.A/C TATA MUTUAL FUND A/C TATA MID CAP GROWTH FUND	145000	0.281	01-04-2017				
				23-06-2017	-15000	Sold	130000	0.252
				14-07-2017	-15000	Sold	115000	0.223
	-Closing Balance			31-03-2018			115000	0.224
14	SBI EQUITY OPPORTUNITIES FUND SERIES I	205462	0.398	01-04-2017				
				21-04-2017	-73264	Sold	132198	0.256
				14-07-2017	-11281	Sold	120917	0.234
				21-07-2017	-32319	Sold	88598	0.172
				04-08-2017	-33390	Sold	55208	0.107
	-Closing Balance			13-10-2017	-55208	Sold	0	0.000
15	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES	164244	0.318	01-04-2017				
				05-05-2017	-22343	Sold	141901	0.275
				12-05-2017	-14662	Sold	127239	0.247
				19-05-2017	-24325	Sold	102914	0.199
	-Closing Balance			26-05-2017	-102914	Sold	0	0.000

Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name	No. of Shares at the beginning/end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
	No Records Found!!							

INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in Lacs) 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	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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			(₹ in Lacs)
		Mr. Vinod Saraf, Managing Director	Ms. Vinati Saraf Mutreja, Executive Director	Ms. Viral Saraf Mittal, Director - Corporate Strategy	Total Amount
1	Gross salary	124.89	92.59	52.38	269.86
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.07	3.68	1.54	6.29
	(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
	Total (A)	125.96	96.27	53.92	276.15
	Ceiling as per the Act	719.00	359.00	359.00	1,437.00

B. Remuneration To Other Directors:

Sr No.	Particulars of Remuneration	Name of Directors Manager				(₹ in Lacs) Total Amount
		Mr. Girish M. Dave	Mr. R. K. Saraswat	Mr. C. B. Gokhale	Mr. A. A. Krishnan	
1.	Independent Directors					
	• Fee for attending board/ committee meetings	2.25	3.25	1.25	1.00	7.75
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	2.25	3.25	1.25	1.00	7.75
2.	Other Non-Executive Directors	Mr. Mohit Mutreja	Mr. Sunil Saraf			
	• Fee for attending board/ committee meetings	1.00	1.00			2.00
	• Commission	Nil	Nil			Nil
	• Others, please specify	Nil	Nil			Nil
	Total (2)	1.00	1.00			2.00
	Total (B)=(1+2)	3.25	4.25	1.25	1.00	9.75
	Total Managerial Remuneration	Nil	Nil			Nil
	Overall Ceiling as per the Act	Nil	Nil			Nil

C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd

Sr No.	Particulars of Remuneration	Key Managerial Personnel			(₹ in Lacs) Total Amount
		COO	CFO	Company Secretary	
1	Gross salary	73.66	57.46	26.17	157.29
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.32	0.32	0.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	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				
	- others, specify...				
	Others, please specify	Nil	Nil	Nil	Nil
	Total	73.98	57.78	26.49	158.25

D. 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
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Member,
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, 2018 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, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
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 there under 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, 2009 - Not applicable as the company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / 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/

propose to delist its equity shares from any Stock Exchange during the year under review;

(h) (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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 proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and 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: 12/05/2018

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 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: 12/05/2018

ANNEXURE J

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 2017-18.
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 2017-18.
 - 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 (Rs. in Lacs)
Effluent Water	Sale	6626.80 K.L.	1.66
Sodium Potassium Carbonate Mixture	Purchase	1149000 M.T.	80.43
Potassium Carbonate	Purchase	49750 M.T.	21.39

These are only related party transaction done during the year.

EVALUATION OF THE NON-INDEPENDENT EXECUTIVE DIRECTORS AND DIRECTORS:

		Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Ms. Viral Saraf Mittal	Mr. Sunil Saraf	Mr. Mohit Mutreja
1	How well prepared & informed is he/she for board meetings	Excellent	Excellent	Very good	Very good	Excellent
2	What has been the quality & value of his/her contribution at board meetings?	Excellent	Excellent	Very good	Very good	Excellent
3	What has been his/her contribution towards development of strategy management?	Excellent	Excellent	Very good	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	Very good	Very good	Very good	Very good

ANNEXURE L

BUSINESS RESPONSIBILITY REPORT FOR FY 2017-18**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, 2017 – March 31, 2018.
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 & Iran etc.

Section B: Financial details of the Company as on March 31, 2018

Sr. No.	Particulars	FY 2017-18 ₹ in Lacs
1	Paid up capital	1027.82
2	Total turnover (net of excise)	72870.98
3	Total profit after taxes	14388.12
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.48%

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 Rs.69.18 Lacs for various CSR activities such as water charges social fund CETP charges, Police welfare fund, School activities, Training, Science exhibition, Computer, Construction of shed, Water pipelines, Plantation 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? NO
- 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:

(a) Details of the Director/Directors responsible for implementation of the BR policy/ policies:

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

S.No	Particulars	Details
1	DIN (if applicable)	00076708
2	Name	Mr. Vinod Saraf
3	Designation	Managing Director & CEO
4	Telephone no.	022-61400444
5	Email id	vinati@vinatiorganics.com

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

[illegible]

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

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, 29 complaints were received from investors during the year FY2017-18 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. In future we are 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 has been setup on the backward areas of Maharashtra and over the years the Company has promoted local contractors and service providers, to the best possible extent, by patronising 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 minimising 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

1088

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis

378

3. Please indicate the number of permanent women employees:

18

4. Please indicate the number of permanent employees with disabilities

0

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?

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 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 & marginalised 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 marginalised 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 29 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 3 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.

As mentioned above company has undertaken clean technology or reduction in green gas emission by co-generation plant. Company has also undertaken number of installation where energy efficiency to existing process equipments have gone up. Company has also identified and implemented schemes for recovering of energy that was wasted earlier by putting up process equipments like Vapour absorption system to trap and utilize this energy more effectively which results into reduction of electricity consumption.

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 organisation?

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 will 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 has not carried out any formal consumer survey/ consumer satisfaction trends. However, the Company collects customer feedback through constant interactions on an on-going basis.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VINATI ORGANICS LIMITED

1. Report on the Standalone Financial Statements

1.1 We have audited the accompanying standalone financial statements of **VINATI ORGANICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements.

2.1 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2.2 This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under Section 143 (11) of the Act.

3.2 We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

3.3 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.

3.4 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.

4. Opinion

4.1 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

5. Other Matters

5.1 The comparative financial information of the Company for the year ended 31st March 2017 and the transition

date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 13th May, 2017 and 14th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been audited by us.

Our opinion is not modified in respect of these matters.

6. Report on other Legal and Regulatory Requirements

6.1 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.

6.2 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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 29 (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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

Accountants

107122W)

Place : Mumbai

Date : 12th May, 2018

For **M. M. NISSIM & CO**
Chartered

(Firm Regn. No.

(N. Kashinath)
Partner

Mem. No.: 036490

ANNEXURE-A TO 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)
- 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, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, goods and services 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	₹ Lakhs
CUSTOMS ACT, 1962			
Customs Duty and penalty	March, 2012 to May 2012	Appellate Tribunal	45.08
CENTRAL EXCISE ACT, 1944 and Finance Act 1994			
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
INCOME TAX, 1961			
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 29(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

Place : Mumbai
Date : 12th May, 2018

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

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 31, 2018 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 controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2018, 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)

Place : Mumbai
Date : 12th May, 2018

(N. Kashinath)
Partner
Mem. No.: 036490

BALANCE SHEET

As at 31st March, 2018

(₹ in Lacs)

Particulars	Note no.	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2 (a)	45,329.61	46,309.83	37,013.22
Capital Work-in-Progress	2 (b)	3,487.96	738.23	2,483.07
Other Intangible Assets	2 (c)	354.86	450.40	543.97
Financial Assets;				
- Other financial assets	3	235.12	301.64	251.57
Other non-current assets	4	2,298.37	1,608.28	1,371.75
Current Assets				
Inventories	5	8,223.38	6,506.95	4,331.96
Financial Assets;				
- Investments	6	13,173.86	6,182.83	336.14
- Trade Receivables	7	17,711.38	14,054.17	11,482.25
- Cash and cash Equivalents	8	4.69	26.91	17.02
- Bank balances other than cash and cash equivalents	9	519.73	447.77	7,333.55
- Loans	10	105.73	94.78	4.85
- Others financial assets	3	46.33	27.53	14.33
Current Tax Assets (Net)		1,772.27	1,307.09	437.93
Other current assets	4	4,732.16	4,056.90	2,682.19
Total Assets		97,995.45	82,113.31	68,303.80
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	SOCE	1,027.82	1,031.82	1,031.82
Other Equity	SOCE	78,638.53	66,968.92	53,397.39
Total Equity		79,666.35	68,000.74	54,429.21
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	11	-	-	1,325.20
- Other Financial Liabilities	12	27.42	1,477.14	625.10
Deferred Tax Liabilities (Net)	13	8,085.53	6,954.90	4,943.91
Other non-current liabilities	14	288.18	340.54	222.36
Current Liabilities				
Financial Liabilities				
- Borrowings	11	1,520.24	231.62	264.35
- Trade Payables	15	6,344.81	3,273.79	2,234.26
- Other Financial Liabilities	12	663.03	572.78	3,333.60
Other Current Liabilities	14	761.02	992.77	720.91
Provisions	16	267.42	267.73	203.60
Current Tax Liabilities (Net)		371.45	1.30	1.30
Total Liabilities		18,329.10	14,112.57	13,874.59
TOTAL EQUITY AND LIABILITIES		97,995.45	82,113.31	68,303.80
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 Regn.No. 1107122W

N.Kashinath

Partner
Membership No. 036490

Place: Mumbai

Date: 12th May 2018

Gunvant Singhi

Company Secretary cum
Finance Controller

Nand Kishor Goyal

Chief Financial Officer

For and on behalf of Board of Directors

Vinod Saraf

CEO & Managing Director
DIN : 00076708

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

Particulars	Note no.	(₹ in Lacs)	
		Year ended 31st March, 2018	Year ended 31st March, 2017
I. INCOME			
Revenue from Operations	17	75,587.44	68,133.32
Other Income	18	1,702.15	1,248.34
Total Income		77,289.59	69,381.66
II. EXPENSES			
Cost of Materials Consumed	19	37,023.20	30,612.67
Excise Duty		1,251.79	4,053.95
Purchases of Stock-in-Trade.		28.28	-
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	705.10	(558.20)
Employee Benefits expense	21	4,898.39	4,187.79
Finance Costs	22	121.09	186.25
Depreciation and Amortisation expense	23	2,336.26	2,160.56
Other Expenses	24	10,588.13	8,142.11
Total expenses		56,952.24	48,785.13
III. PROFIT BEFORE TAX		20,337.35	20,596.53
IV. TAX EXPENSES			
Current Tax		5,555.71	4,784.38
Deferred Tax		1,130.63	2,010.99
Earlier Years adjustments		(737.11)	(226.35)
Total Tax Expenses		5,949.23	6,569.02
V. PROFIT FOR THE YEAR		14,388.12	14,027.51
VI. OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		(18.37)	(222.47)
Income Tax relating to items that will not be reclassified to Profit or Loss		6.36	76.99
Total other Comprehensive Income for the year, net of tax		(12.01)	(145.48)
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,376.11	13,882.03
Earnings Per Equity Share (in Rupees)	29 (a)		
Basic		27.93	27.19
Diluted		27.93	27.19
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 Regn.No. 1107122W

N.Kashinath
Partner
Membership No. 036490

Gunvant Singhi
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Chief Financial Officer

For and on behalf of Board of Directors

Vinod Saraf
CEO & Managing Director
DIN : 00076708

Vinati Saraf Mutreja
Executive Director
DIN : 00079184

Place: Mumbai
Date: 12th May 2018

STATEMENT OF CHANGES IN EQUITY (SOCE)

for the year ended 31st March, 2018

EQUITY SHARE CAPITAL		As at		As at		(₹ in Lacs)
		31st March, 2018	31st March, 2017	31st March, 2017	01st April, 2016	As at
	Number	Amount	Amount	Amount	Amount	Amount
Authorised Share Capital	75,000,000	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Issued Share Capital	51,591,025	1,031.82	1,031.82	1,031.82	1,031.82	1,031.82
Subscribed Share Capital	51,591,025	1,031.82	1,031.82	1,031.82	1,031.82	1,031.82
Fully Paid-up Share Capital	51,591,025	1,031.82	1,031.82	1,031.82	1,031.82	1,031.82
Balance at the beginning of the year	1,591,025	1,031.82	1,031.82	1,031.82	1,031.82	1,031.82
Changes in equity share capital during the year:	-	-	-	-	-	-
Bought back during the year**	(200,000)	(4.00)	-	-	-	-
Balance at the end of the reporting year	51,391,025	1,027.82	1,031.82	1,031.82	1,031.82	1,031.82

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 ₹2 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		As at		As at		(₹ in Lacs)
		31st March, 2018	31st March, 2017	31st March, 2017	31st March, 2017	01st April, 2016	01st April, 2016	As at
	No.	%	No.	%	No.	%	No.	%
Vinod Saraf	6,950,291	13.52%	6,973,550	13.52%	6,973,550	13.52%	6,973,550	13.52%
Kavita Saraf	6,207,228	12.08%	6,228,000	12.07%	6,228,000	12.07%	6,228,000	12.07%
Suchir Chemicals Pvt. Ltd.	23,750,204	46.21%	23,829,683	46.19%	22,971,435	44.53%	22,971,435	44.53%

** During the 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 ₹ 2 each at a price of ₹ 1,200 per equity share on proportionate basis aggregating to ₹ 2,400 Lacs. The premium amount of ₹ 2,396 Lacs has been adjusted against securities premium and general reserve.

STATEMENT OF CHANGES IN EQUITY (SOCE)

for the year ended 31st March, 2018

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income(OCI)	(₹ in Lacs)
	Securities Premium	General Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	TOTAL
Balance at the beginning of the comparative reporting Year	3,001.88	5,982.00	30.40	-	44,031.90	-	53,046.18
Ind AS Adjustments for 01/04/2016	-	-	-	-	351.21	-	351.21
Balance at the beginning of the comparative reporting Year - 1st April, 2016	3,001.88	5,982.00	30.40	-	44,383.11	-	53,397.39
Profit for the Comparative Year ending 31st March 2017					14,027.51		14,027.51
Other Comprehensive Income for the Comparative Year ending 31st March 2017						(145.48)	(145.48)
Total Comprehensive Income for the Comparative Year	-	-	-	-	14,027.51	(145.48)	13,882.03
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Final Dividend (₹ 0.50 per share)					(257.98)		(257.98)
- Dividend Distribution Tax					(52.52)		(52.52)
Balance at the end of the comparative reporting Year ending 31st March 2017	3,001.88	5,982.00	30.40	-	58,100.12	(145.48)	66,968.92
Profit for the Current Reporting year ending 31st March 2018					14,388.12		14,388.12
Other Comprehensive Income for the Current Reporting year ending 31st March 2018						(12.01)	(12.01)
Total Comprehensive Income for the year	-	-	-	-	14,388.12	(12.01)	14,376.11
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;							-
- Final Dividend (₹0.50 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)
Balance at the end of the reporting year ending 31st March 2018	636.28	5,947.60	30.40	4.00	72,177.74	(157.49)	8,638.53

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

For and on behalf of Board of Directors

For M.M.Nissim & Co

Chartered Accountants
Firm Regn.No. 1107122W

N.Kashinath

Partner
Membership No. 036490

Gunvant Singhi

Company Secretary cum
Finance Controller

Nand Kishor Goyal

Chief Financial Officer

Vinod Saraf

CEO & Managing Director
DIN : 00076708

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

Place: Mumbai

Date: 12th May 2018

CASH FLOW STATEMENT

for the year ended 31st March, 2018

Particulars			(₹ in Lacs)	
	Year ended 31st March, 2018		Year ended 31st March, 2017	
A. Cash flow from operating activities :				
Net profit before tax		20,337.35		20,596.53
Adjustment for :				
Depreciation	2,544.70		2,160.56	
Unrealised Exchange (Gain) / Loss	(314.71)		(200.17)	
Finance Cost (including fair value change in financial instruments)	110.78		186.25	
Interest Income	(50.40)		(106.72)	
Dividend Income	(714.09)		(221.75)	
Remeasurements of Defined benefit plans	(18.37)		(222.47)	
Loss / (Gain) on Sale / Disposal of Fixed Assets	3.19	1,561.10	(2.15)	1,593.55
Operating profit/(loss) before working capital changes		21,898.45		22,190.08
Trade receivables	(3,339.03)		(2,365.81)	
Other Financial assets	(21.97)		(114.85)	
Other Non Current Assets	(282.42)		1.78	
Other Current Assets	(675.26)		(1,374.71)	
Inventories	(1,716.43)		(2,174.99)	
Trade Payable	3,067.55		1,003.82	
Provisions	(0.31)		64.13	
Other Non Current Financial Liabilities	(2.28)		852.03	
Other non-current liabilities	(52.37)		118.19	
Other Current Financial Liabilities	95.79		(77.87)	
Other liabilities	(231.75)	(3,158.48)	271.86	(3,796.42)
Cash generated from operations		18,739.97		18,393.66
Direct Taxes paid		(4,907.23)		(5,350.21)
Net cash from operating activities		13,832.74		13,043.45
B. Cash flow from investing activities				
Purchase of Fixed Assets	(7,252.83)		(11,407.25)	
Capital Work in Progress And Capital Advance	(407.68)		1,506.53	
Proceeds from sale of Fixed Assets	3,030.95		45.80	
Loans (Financial assets)	(10.95)		(89.93)	
Deposits/Balances with Banks	5.39		6,950.55	
Interest Income	42.74		93.53	
Dividend income	714.09		221.75	
Net cash used in investing activities		(3,878.29)		(2,679.02)

CASH FLOW STATEMENT

for the year ended 31st March, 2018

Particulars			(₹ in Lacs)	
	Year ended 31st March, 2018		Year ended 31st March, 2017	
C. Cash flow from financing activities				
(Repayments) / Proceeds from Working Capital Facilities (Net)	1,288.62		(32.73)	
Buyback of Shares	(2,400.00)		-	
(Repayments) of Term Loans	-		(3,964.54)	
Non Current Financial Liabilities - Security Deposits	(1,447.44)		-	
Interest paid	(110.78)		(156.47)	
Dividend and Corporate Dividend Tax	(316.04)		(354.11)	
Net cash from financing activities		(2,985.64)		(4,507.85)
Net increase/(decrease) in cash and cash equivalents		6,968.81		5,856.58
Cash and cash equivalents as At 31st March, 2017		6,209.74		353.16
- Cash and cash Equivalents		26.91		17.02
- Highly Liquid Investments (Note 6)		6,182.83		336.14
Cash and cash equivalents as At 31st March, 2018		13,178.55	-	6,209.74
- Cash and cash Equivalents		4.69		26.91
- Highly Liquid Investments (Note 6)		13,173.86		6,182.83
Note to Cash Flow Statement:				
1. The above Cash Flow Statement has been prepared under the Indirect Method.				
2. Reconciliation of Financing Liabilities				
		31.03.2018		31.03.2017
Opening Balance		231.62		4,228.90
Cash inflow/ (outflow) of non-current borrowings		-		(3,964.55)
Cash inflow / (outflow) of current borrowings		1,288.62		(32.73)
Closing Balance		1,520.24		231.62

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

For and on behalf of Board of Directors

For M.M.Nissim & Co

Chartered Accountants
Firm Regn.No. 1107122W

Gunvant Singhi

Company Secretary cum
Finance Controller

Vinod Saraf

CEO & Managing Director
DIN : 00076708

N.Kashinath

Partner
Membership No. 036490

Nand Kishor Goyal

Chief Financial Officer

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

Place: Mumbai

Date: 12th May 2018

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

1. Significant Accounting Policies

A General Information

The Company was established in 1989 and is engaged in manufacturing of speciality organic intermediates and monomers. The manufacturing facilities are located at Mahad and Lote Parashuram, Maharashtra. The Company is listed on Bombay Stock Exchange and National Stock Exchange.

B Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated. (Refer Note:- D for the details of first-time adoption exemptions availed by the Company).

The Company has adopted all the applicable Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

i Statement of Compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016.

The Standalone Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Financial Statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP').

The Financial Statements for the year ended 31st March, 2018 are the first Financial Statements of the Company which have been prepared in accordance with Ind AS. Previous period numbers for the year ended 31st March, 2017 in the Financial Statements have been restated to confirm to Ind AS. Accordingly,

the date of transition to Ind AS is 1st April, 2016.

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 the following material items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

- a) Certain financial assets/liabilities measured at fair value (Refer Note 27 for Fair Value of Financial Assets/Liabilities) 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 Rupees 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, 2018 were authorised for issue in accordance with a Resolution of the Board of Directors on 12th May, 2018.

Use of Estimate and judgment

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

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

of revision and future periods if the revision affects both current and future period.

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.

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 asset 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.

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

Property, Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of 1st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

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), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs 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.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Spares 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.

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.

Description of the Asset

Tangible:

Building – Factory

Other than factory buildings

Plant and Equipment

Furniture and Fixtures

Computer Servers

Computers

Office Equipment

Other Assets, viz., Air Conditioners

Vehicles

Intangible:

Software

Technical Knowhow

Estimated Useful Life

30 Years

60 Years

5-20 Years

10 Years

6 Years

3 Years

5 Years

5 Years

8 Years

6 Years

10 Years

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

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

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

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

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 is determined 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.

Impairment of tangible and intangible assets other than goodwill

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 (if any). 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 to sell 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 cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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.

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. The date of transaction in case of advance receipts is determined considering the advance receipts and subsequent exports as a single transaction. 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.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value (NRV). 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.

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 transaction

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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.

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 receivables, 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 / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets except trade receivables 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 FINANCIAL STATEMENTS

for the year ended 31st March, 2018

- 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 FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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 de recognition 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.

Share capital and share 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 share premium.

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. As per the corporate laws in India, a distribution is authorized when it is approved by

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for the year ended 31st March, 2018

the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

Government Grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants 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.

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.

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 capitalized at the inception of the lease at the fair value of the leased property

or, if lower, at the present value of minimum lease payments. 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 recognized 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.

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 cost.

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.

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for the year ended 31st March, 2018

Revenue Recognition and Other Income

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

Revenue from sale of goods is recognized, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It includes excise duty and excludes value added tax/sales tax/Goods and Services Tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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.

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

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

Depreciation and Amortization

Depreciation of PPE commences when the assets are ready for their intended use. Depreciation on PPE is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. PPE which are added / disposed off during the year, depreciation is provided on pro-rata basis from / up to the date on which the asset is available for use / disposal. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Component of an item of PPE with the cost that is significant in relation to total cost of that item is

depreciated separately if it's useful life differs from other components of the assets.

Depreciation on PPE is provided over the useful life of assets as specified in the Schedule II of the Companies Act 2013 to the extent of 95 percent except the following:-

Assets acquired on lease arrangement are depreciated over the respective useful life applicable to asset or written off over lease period, whichever is lower.

Spares parts procured along with the Plant and Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related Plant and Machinery.

Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of six years or its license period, whichever is earlier. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Technical Know-how fees recognized as 'Intangible Assets' is amortised prorata, on straight line basis over the estimated useful life of the asset which is estimated at 10 years.

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 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

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for the year ended 31st March, 2018

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.

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 giving 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.

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.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized 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 FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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.

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 book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

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.

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for the year ended 31st March, 2018

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

D) First time adoption of Ind AS – mandatory exceptions / optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for PPE, CWIP and Intangible assets

The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2016 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

E Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA), on 28th March 2018, notified Ind AS 115, Revenue from Contracts with Customers and Appendix B to Ind AS 21, The Effects of Changes in Foreign Exchange Rates as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force from 1st April, 2018.

Ind AS 115 – Revenue from Contract with Customers:

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18, Revenue, Ind AS 11, Construction contracts and the related interpretations when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Identify the contract(s) with a customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract and Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in Ind AS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by Ind AS 115.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

It clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, as when an entity has received or paid advance consideration in a foreign currency.

The Company has evaluated the effect of these amendments on the financial statement and the impact is not expected to be material.

for the year ended 31st March, 2018

Note 2 (a) Property, Plant and Equipment

									(₹ in Lacs)
Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Air Conditioners	Total
Gross Block									
At Deemed cost as at 01 April 2016	-	13,228.53	23,258.70	303.29	148.09	22.20	24.16	28.25	37,013.22
Additions		2,070.62	9,201.33	8.47	94.18	6.94	8.52	3.29	11,393.35
Disposals			(29.71)		(15.75)				(45.46)
At cost as at 31 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	4,497.34
Disposals / adjustments (Refer note ii below)			(3,182.43)	(0.20)	(13.68)				(3,196.31)
At cost as at 31 March 2018	7.61	16,415.51	32,528.74	365.73	235.87	31.46	37.23	39.98	49,662.13
Depreciation Block									
As at 01 April 2016	-	-	-	-	-	-	-	-	-
Depreciation / Amortisation for the period		401.43	1,535.26	45.92	39.15	10.75	9.52	11.06	2,053.09
Disposals / adjustments			(0.84)		(0.97)				(1.81)
Accumulated depreciation / amortisation as at 31 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	2,443.41
Disposals / adjustments (Refer note ii below)			(157.91)		(4.26)				(162.17)
Accumulated depreciation / Amortisation as at the 31 March 2018	-	869.86	3,234.58	94.09	72.14	20.80	19.45	21.59	4,332.52
Net Block									
As at 01 April 2016	-	13,228.53	23,258.70	303.29	148.09	22.20	24.16	28.25	37,013.22
As at 31 March 2017	-	14,897.72	30,895.90	265.84	188.34	18.39	23.16	20.48	6,309.83
As at 31 March 2018	7.61	15,545.65	29,294.16	271.64	163.73	10.66	17.78	18.39	45,329.61

Note 2 (b) Capital Work-in-Progress

[illegible]

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 2 (c) Intangibles

Particulars	(₹ in Lacs)		
	Computer Software	Technical Know How	Total
Gross Block			
At Deemed cost as at 01 April 2016	90.47	453.50	543.97
Additions	13.90	-	13.90
Disposals	-	-	-
At cost as at 31 March 2017	104.37	453.50	557.87
Additions	5.75	-	5.75
Disposals /adjustments (Refer note ii below)	-	-	-
At cost as at 31 March 2018	110.12	453.50	563.62
Depreciation Block			
As at 01 April 2016	-	-	-
Depreciation / Amortisation for the period	26.64	80.83	107.47
Disposals /adjustments	-	-	-
Accumulated depreciation / amortisation as at 31 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 the 31 March 2018	61.12	147.64	208.76
Net Block			
As at 01 April 2016	90.47	453.50	543.97
As at 31 March 2017	77.73	372.67	450.40
As at 31 March 2018	49.00	305.86	354.86

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:

	Gross Block	Accumulated depreciation / amortisation as at 31 March 2018	Net Block
			(₹ in Lacs)
Buildings	14,753.53	2,389.75	12,363.78
Plant and equipment	27,699.35	10,971.96	16,727.39
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	231.97	174.28	57.69
	43,467.34	14,116.42	29,350.92
Computer Software	181.66	151.85	29.81
Technical Know How	770.80	464.94	305.86
	952.46	616.79	335.67

ii) The disposal/adjustment includes an amount of ₹ 3173.38 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 ₹ 208.44 Lacs representing depreciation for the year ending 31st March, 2017 of ₹ 157.25 Lacs and for the year ending 31st March, 2016 of ₹ 51.19 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;

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 2 (c) Intangibles (contd..)

Particulars	(₹ in Lacs)		
	31st March, 2018	31st March, 2017	01st April, 2016
Legal and Professional Charges	225.55	611.43	340.50
Travelling Expenses	13.76	18.69	7.77
Rates & Taxes	18.31	8.68	-
Insurance Charges	7.03	9.44	15.01
Others	4.83	-	0.25
Total	269.48	648.24	363.53

Note 3 Other Financial Assets

Particulars	(₹ in Lacs)					
	As at 31st March, 2018	Non-Current As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2018	Current As at 31st March, 2017	As at 01st April, 2016
Bank deposits with more than 12 months maturity	55.98	133.32	198.10	-	-	-
Others;						
Security Deposits	179.14	168.32	53.47	-	-	-
Interest Accrued on Loans and Deposits	-	-	-	35.19	27.53	14.33
Others	-	-	-	11.14	-	-
Total	235.12	301.64	251.57	46.33	27.53	14.33

Note 4 Other Assets

Particulars	(₹ in Lacs)					
	As at 31st March, 2018	Non-Current As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2018	Current As at 31st March, 2017	As at 01st April, 2016
Capital Advances	1,249.68	842.01	603.70		-	-
Advances other than capital advances;						
Security Deposits	6.99	6.99	6.39	193.67	135.81	101.40
Advances to suppliers	-	-	-	467.21	348.74	467.95
Interest Accrued on Deposits	-	-	-	37.01	47.31	-
Sub Total	1,256.67	849.00	610.09	697.89	531.86	569.35
Others						
Balance with Statutory authorities	-	-	-	1,826.58	481.34	416.96
Advances recoverable in cash or kind	-	-	-	2,140.17	2,969.05	1,627.89
Prepaid Expenses	1,041.70	759.28	761.66	67.52	74.65	67.99
Sub Total	1,041.70	759.28	761.66	4,034.27	3,525.04	2,112.84
Total	2,298.37	1,608.28	1,371.75	4,732.16	4,056.90	2,682.19

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 5 Inventories

Particulars	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Raw Materials	1,167.33	899.18	643.10
Raw Materials in transit	2,365.81	327.20	244.17
Work-in-progress	992.55	1,055.97	1,199.25
Finished goods	979.86	1,820.37	1,041.92
Stores and spares	2,717.83	2,404.23	1,203.52
Total	8,223.38	6,506.95	4,331.96

Note 6 Current Investments

Particulars	Face Value ₹	No. of Units		(₹ in Lacs)			
		As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Fully paid up - Unquoted - Non Trade							
i) In Mutual Fund Units: (at fair value through Profit or Loss)							
Income Plan: Growth Option							
Kotak Select Focus Fund	10.00	727,311.68	-	-	231.41	-	-
Kotak Treasury Advantage Fund	10.00	95,230.22	33,281,603.62	-	9.67	3,380.38	
Kotak Equity Arbitrage Fund	10.00	53,679,555.95	-	-	5,739.31		
ICICI Prudential Flexible Income	100.00	17,062.63	2,653,922.31	-	18.04	2,802.45	
ICICI Prudential Equity Arbitrage Fund	10.00	34,557,633.90	-	-	4,713.32	-	-
LAndT Triple Ace Bond Fund	1,000.00	-	-	804,527.01	-	-	117.19
Sundaram Select Debt ST Asset Plan	1,000.00	-	-	1,690,674.24	-	-	218.95
Edelweiss Arbitrage Fund	10.00	9,983,315.73	-	-	1,058.48		
Quoted Fully Paid Up							
ii) In Equity Instruments:							
(at fair value through Profit or Loss)							
Aegis Logistics Ltd	1.00	27,810	-	-	72.19	-	-
Alkem Laboratories Ltd	2.00	2,542	-	-	50.54	-	-
AU Small Finance Bank	10.00	7,814	-	-	48.29	-	-
Bajaj Finance Ltd.	2.00	3,557	-	-	62.87	-	-
Bayer Cropscience Limited	10.00	590	-	-	24.95	-	-
Bharat Forge Ltd.	2.00	4,148	-	-	29.02	-	-
Birla Corporation Ltd.	10.00	6,866	-	-	49.07	-	-
Blue Star Ltd	2.00	4,236	-	-	32.00	-	-
Bosch Ltd.	10.00	167	-	-	30.09	-	-
Can Fin Homes Ltd	2.00	8,307	-	-	40.25	-	-
City Union Bank Ltd.	1.00	19,323	-	-	33.32	-	-
Colgate Palmolive (India) Limited	1.00	1,500	-	-	15.85	-	-
Container Corporation Of India Ltd.	10.00	1,632	-	-	20.32	-	-
Cummins India Ltd.	2.00	2,376	-	-	16.64	-	-
DCB Bank Ltd	10.00	37,767	-	-	61.01	-	-
Dhanuka Agritech Ltd	2.00	2,748	-	-	15.14	-	-
Dishman Carbogen Amcis Ltd	2.00	8,679	-	-	27.80	-	-
Dr Lal Path Labs Ltd	10.00	2,619	-	-	22.95	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 6 Current Investments (contd..)

Particulars	Face Value ₹	No. of Units		(₹ in Lacs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2018	As at 31st March, 2017
Eicher Motors Ltd.	10.00	167	-	-	47.38	-
Emami Limited	1.00	2,223	-	-	23.76	-
Engineers India Ltd.	5.00	4,890	-	-	7.75	-
Federal Bank Limited	2.00	19,737	-	-	17.61	-
Gabriel India Limited	1.00	21,769	-	-	29.82	-
GlaxoSmithKline Consumer Healthcare Ltd.	10.00	382	-	-	23.30	-
Godrej Industries Ltd.	1.00	5,237	-	-	28.80	-
Hindustan Petroleum Corporation Ltd.	10.00	7,753	-	-	26.74	-
IIFL Holdings Ltd	2.00	2,911	-	-	20.54	-
Ipca Lab Ltd.	2.00	2,503	-	-	16.41	-
ITD Cementation India Ltd	1.00	13,980	-	-	21.98	-
Jammu and Kashmir Bank Ltd.	1.00	11,475	-	-	6.93	-
Kajaria Ceramics Ltd	1.00	5,631	-	-	32.24	-
Kotak Mahindra Bank Ltd	5.00	7,951	-	-	83.31	-
L&T Technology Services Ltd	2.00	2,093	-	-	25.86	-
Lakshmi Vilas Bank Ltd	10.00	24,843	-	-	24.47	-
Mahanagar Gas Ltd	10.00	3,814	-	-	36.54	-
Max Financial Services Ltd	2.00	6,583	-	-	29.85	-
Page Industries Ltd.	10.00	288	-	-	65.33	-
Qess Corp Ltd	10.00	5,847	-	-	60.11	-
Suprajit Engineering Ltd	1.00	5,287	-	-	14.72	-
TTK Prestige Ltd.	10.00	552	-	-	34.14	-
Voltas Ltd.	1.00	11,873	-	-	73.74	-
Total					13,173.86	6,182.83
						336.14

Note 7 Trade Receivables

Particulars	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Trade receivables			
Unsecured, considered good	17,711.38	14,054.17	11,482.25
Total	17,711.38	14,054.17	11,482.25

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	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Balances with Banks (of the nature of cash and cash equivalents)	2.63	25.81	14.78
Cash on hand	2.06	1.10	2.24
Total	4.69	26.91	17.02

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 9 Bank Balances other than Cash and Cash Equivalents

Particulars	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Deposits with original maturity of more than 3 months	336.37	258.87	7,101.04
Others:			
Unclaimed Dividend Account	183.36	188.90	232.51
Total	519.73	447.77	7,333.55

Note 10 Loans (Unsecured, considered good)

Particulars	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Loans and Advances to employees	105.73	94.78	4.85
Total	105.73	94.78	4.85

Note 11 Borrowings

Particulars	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Non current			
Secured			
Term loans;			
- Foreign Currency Loan from Banks	-	-	596.34
- External Commercial Borrowings (ECB) from IFC	-	-	728.86
Sub - Total	-	-	1,325.20
Current			
Secured			
Loans repayable on demand			
- from banks	1,520.24	231.62	264.35
Sub - Total	1,520.24	231.62	264.35
Total	1,520.24	231.62	1,589.55

Nature of Borrowings

Working Capital Advances from Banks

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.

Interest Rate

Export Bill Discounting Facility (Pre And Post Shipment) carries interest ranging from 50bps to 200 bps +2/3 months Libor. Rupee Loan carries interest ranging from 8.30% to 9.25%.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 12 Other Financial Liabilities

(₹ in Lacs)

Particulars	Non-Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Current maturities of long-term debt				-	-	2,639.34
Unclaimed dividends				183.36	188.90	232.51
Others :						
Security Deposit	27.42	1,477.14	625.10	-	-	-
Employee benefits	-	-	-	185.86	202.69	199.00
Liabilities for expenses	-	-	-	293.81	181.19	262.75
Total	27.42	1,477.14	625.10	663.03	572.78	3,333.60

Note 13 Deferred Tax Liabilities - (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Deferred Tax Liabilities (Net);			
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	8,218.29	7,041.83	4,978.40
- Unrealised (gain)/loss on FVTPL debt Mutual Funds And equity instruments	(63.61)	(19.93)	21.55
Deferred Tax Asset:			
- Accrued Expenses allowable on Actual Payments	(69.15)	(67.00)	(56.04)
Total	8,085.53	6,954.90	4,943.91

Note 14 Other Liabilities

(₹ in Lacs)

Particulars	Non-Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Revenue received in advance	-	-	-	196.09	64.57	25.78
Others;						
Statutory Dues	-	-	-	198.59	378.67	245.55
Liabilities for expenses	-	-	-	357.78	404.75	391.25
Others	288.18	340.54	222.36	8.56	144.78	58.33
Total	288.18	340.54	222.36	761.02	992.77	720.91

Note 15 Trade Payables

(₹ in Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Outstanding due of Micro and Small Enterprises (Refer Note 29(d))	107.52	33.88	12.15
Outstanding due of Creditors other than Micro and Small Enterprises	6,237.29	3,239.91	2,222.11
Total	6,344.81	3,273.79	2,234.26

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 16 Provisions

(₹ in Lacs)

Particulars	As at	Current	As at
	31st March, 2018	31st March, 2017	As at 01st April, 2016
Provision for employee benefits (Refer Note 29(g))	267.42	267.73	203.60
Total	267.42	267.73	203.60

Note 17 Revenue from Operations

(₹ in Lacs)

Particulars	Year ended	Year ended
	31st March, 2018	31st March, 2017
Sale Of Products	74,122.77	66,637.44
Other Operating Revenues:		
Export Incentives	1,367.42	1,446.23
Scrap Sales	97.25	49.65
Total	75,587.44	68,133.32

Note 18 Other Income

(₹ in Lacs)

Particulars	Year ended	Year ended
	31st March, 2018	31st March, 2017
Interest Income	50.40	106.72
Dividend Income	714.09	221.75
Net gain on sale of Investments classified as FVTPL	-	327.13
Net gains on fair value changes on financial assets classified as FVTPL	-	4.69
Gain on Foreign Exchange Translations	809.59	370.72
Other Non-Operating Income;		
Miscellaneous Income	128.07	217.33
Total	1,702.15	1,248.34

Note 19 Cost of Materials consumed

(₹ in Lacs)

Particulars	Year ended	Year ended
	31st March, 2018	31st March, 2017
Opening Stock of Raw Materials	1,226.39	887.27
Purchases during the year	39,329.95	30,951.79
Closing Stock of Raw Materials	(3,533.14)	(1,226.39)
Total	37,023.20	30,612.67

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 20 Changes In Inventories Of Finished Goods And Work-In-Progress

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Closing Stock:		
Finished Goods	979.86	1,820.37
Work-in-Progress	992.55	1,055.97
	1,972.41	2,876.34
Less: Opening Stock:		
Finished Goods	1,820.37	1,041.92
Work-in-Progress	1,055.97	1,199.25
	2,876.34	2,241.17
Differential Excise Duty on Opening and Closing stock of Finished Goods	(198.83)	76.97
Total	705.10	(558.20)

Note 21 Employee Benefits Expense

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and Wages	4,349.53	3,779.72
Contribution to provident, gratuity and other funds	403.59	317.66
Staff welfare expenses	145.27	90.41
Total	4,898.39	4,187.79

Note 22 Finance Costs

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest on Loans and Deposits	-	77.01
Interest on Working Capital Facilities	110.78	79.46
Exchange difference	-	29.78
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	10.31	-
Total	121.09	186.25

Note 23 Depreciation and Amortisation expense

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation on Property, Plant And Equipment	2,443.41	2,053.09
Amortisation on Intangible Assets	101.29	107.47
Depreciation write back of Earlier Years (Refer Note 2(ii))	(208.44)	-
Total	2,336.26	2,160.56

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 24 Other Expenses

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Stores and Spares Consumed	2,658.32	2,045.99
Power and Fuel	4,650.96	3,583.89
Processing Expenses	1,008.95	647.22
Rent	17.69	10.94
Rates and Taxes	92.89	51.45
Insurance	137.42	79.20
Printing and Stationery	26.08	21.73
Water Charges	139.69	111.10
Share Buyback expenses	57.32	-
Repairs and Renewals:		
Buildings	223.61	105.15
Plant and Machinery	255.20	237.30
Other Assets	57.30	51.72
Travelling and Conveyance	178.87	144.70
Communication Expenses	23.66	24.88
Corporate Social Responsibility Expenses	69.18	215.49
Vehicle Expenses	67.81	67.06
Auditors' Remuneration:		
As Auditors:		
Audit fee	6.50	6.50
Tax Audit fee	1.50	1.50
Other Services	2.00	2.48
Reimbursement of Expenses	-	0.19
	10.00	10.67
Cost Auditors Remuneration:		
Audit fee	0.60	0.61
Directors' Fees	9.77	8.57
Directors' Travelling Expenses	9.12	6.14
Security Expenses	102.14	95.59
Commission	156.54	165.35
Loss on Sale of Assets	3.19	-
Loss on sale of Investments	5.27	-
Net loss on fair value changes on financial assets classified as FVTPL	182.03	-
Bank Charges	96.39	89.07
Miscellaneous Expenses	348.13	368.29
Total	10,588.13	8,142.11

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 25 (a) Reconciliation of Equity as at 1st April 2016 (date of transition)

(₹ in Lacs)

Particulars	Foot Notes	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	25 (d) (v)	37,645.54	(632.32)	37,013.22
Capital Work-in-Progress		2,483.07	-	2,483.07
Other Intangible Assets		543.97	-	543.97
Financial Assets;			-	
- Others financial assets		250.07	1.50	251.57
Other non-current assets		603.70	768.05	1,371.75
Current assets				
Inventories	25 (d) (v)	4,469.63	(137.67)	4,331.96
Financial Assets;				
- Investments	25 (d) (i)	273.86	62.28	336.14
- Trade Receivables		11,482.25	-	11,482.25
- Cash and cash Equivalents		17.02	-	17.02
- Bank balances other than cash and cash equivalents		7,333.55	-	7,333.55
- Loans		4.85	-	4.85
- Others financial assets		14.33	-	14.33
Other current assets		2,681.75	0.44	2,682.19
Current Tax Assets (Net)		892.35	(454.42)	437.93
Total assets		68,695.92	(392.12)	68,303.80
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,031.82	-	1,031.82
Other equity	25 (d) (i) & (ii)	53,046.18	351.21	53,397.39
Equity attributable to owners		54,078.00	351.21	54,429.21
Non-controlling interest				
Total equity		54,078.00	351.21	54,429.21
Liabilities				
Non-current liabilities				
Financial Liabilities				
- Borrowings		1,325.20	-	1,325.20
- Other Financial Liabilities		-	625.10	625.10
Deferred Tax Liabilities (Net)		4,922.35	21.56	4,943.91
Other non-current liabilities	25 (d) (vi)	-	222.36	222.36
		6,247.55	869.02	7,116.57
Current Liabilities				
Financial Liabilities				
- Borrowings		264.35	-	264.35
- Trade Payables		2,234.26	-	2,234.26
- Other Financial Liabilities		-	3,333.60	3,333.60
Other Current Liabilities		4,704.45	(3,983.54)	720.91
Provisions	25 (d) (ii)	712.88	(509.28)	203.60
Current Tax Liabilities (Net)		454.43	(453.13)	1.30
Total current liabilities		8,370.37	(1,612.35)	6,758.02
Total liabilities		14,617.92	(743.33)	13,874.59
Total equity and liabilities		68,695.92	(392.12)	68,303.80

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 25 (b) Reconciliation of Equity as at 31st March 2017

Particulars	Foot Notes	Previous GAAP *	Adjustments	(₹ in Lacs) Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	25 (d) (v)	46,912.75	(602.92)	46,309.83
Capital Work-in-Progress		738.23	-	738.23
Other Intangible Assets		450.40	-	450.40
Financial Assets;				
- Others financial assets		348.95	(47.31)	301.64
Other non-current assets		984.81	623.47	1,608.28
Current assets				-
Inventories	25 (d) (v)	6,709.08	(202.13)	6,506.95
Financial Assets;				-
- Investments	25 (d) (i)	6,178.13	4.70	6,182.83
- Trade Receivables		14,054.17	-	14,054.17
- Cash and cash Equivalents		26.91	-	26.91
- Bank balances other than cash and cash equivalents		447.77	-	447.77
- Loans		94.78	-	94.78
- Others financial assets		27.53	-	27.53
Other current assets		3,860.10	196.80	4,056.90
Current Tax Assets (Net)		1,337.06	(29.97)	1,307.09
Total assets		82,170.67	(57.36)	82,113.31
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,031.82	-	1,031.82
Other equity	25 (d) (i) & (v)	66,976.40	(7.48)	66,968.92
Total equity		68,008.22	(7.48)	68,000.74
Liabilities				
Non-current liabilities				
Financial Liabilities				
- Other Financial Liabilities		-	1,477.14	1,477.14
Deferred Tax Liabilities (Net)	25 (d) (iii)	6,974.82	(19.92)	6,954.90
Other non-current liabilities		-	340.54	340.54
		6,974.82	1,797.76	8,772.58
Current Liabilities				
Financial Liabilities				
- Borrowings		231.62	-	231.62
- Trade Payables		3,273.79	-	3,273.79
- Other Financial Liabilities		2,527.09	(1,954.31)	572.78
Other Current Liabilities		856.13	136.64	992.77
Provisions		267.73	-	267.73
Current Tax Liabilities (Net)		31.27	(29.97)	1.30
Total current liabilities		7,187.63	(1,847.64)	5,339.99
Total liabilities		14,162.45	(49.88)	14,112.57
Total equity and liabilities		82,170.67	(57.36)	82,113.31

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 25 (c) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

(₹ in Lacs)

Particulars	Foot Notes	Previous GAAP *	Adjustments	Ind AS
INCOME				
Revenue from Operations		66,632.99	1,500.33	68,133.32
Other Income	25 (d) (vi)	956.48	291.86	1,248.34
Total Income		67,589.47	1,792.19	69,381.66
EXPENSES				
Cost of materials consumed		30,612.67	-	30,612.67
Excise Duty		-	4,053.95	4,053.95
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(558.20)	-	(558.20)
Employee benefits expense	25 (d) (iii)	4,410.26	(222.47)	4,187.79
Finance costs	25 (d) (vi)	275.32	(89.07)	186.25
Depreciation and Amortisation expense	25 (d) (v)	2,136.83	23.73	2,160.56
Other expenses	25 (d) (vi)	10,248.85	(2,106.74)	8,142.11
Total expenses		47,125.73	1,659.40	48,785.13
Profit before tax		20,463.74	132.79	20,596.53
Tax expense				
(1) Current Tax		4,707.39	76.99	4,784.38
(2) Deferred Tax		1,881.39	129.60	2,010.99
(3) Earlier Years adjustments		(55.26)	(171.09)	(226.35)
Total Tax Expense		6,533.52	35.50	6,569.02
Profit for the year		13,930.22	97.29	14,027.51
Other comprehensive income				
Items that will not be reclassified to Profit or Loss				
Remeasurements of Defined benefit plans	25 (d) (iii)	-	(222.47)	(222.47)
Income Tax relating to items that will not be reclassified to Profit or Loss	25 (d) (iii)	-	76.99	76.99
Total other comprehensive income for the year, net of tax		-	(145.48)	(145.48)
Total comprehensive income for the year		13,930.22	(48.19)	13,882.03

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Note 25 (d) Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and total comprehensive income for the year ended 31st March, 2017

i) FVTPL Financial Assets:

Under previous GAAP, the Company accounted for current investments in unquoted mutual funds units at cost less provision for other than temporary diminution in the value of investments. Under Ind-AS, the investments are required to be classified and measured subsequently at fair value through profit or loss. At the date of transition to Ind-AS, difference between the fair value and GAAP carrying amount of ₹ 62.28 Lacs has been recognised in the retained earnings. The impact of ₹ 4.69 Lacs as at 31st March, 2017 has been recognised in the statement of profit and loss.

ii) Other Payables:

Under previous GAAP, proposed dividend including Dividend Distribution Tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting).

Accordingly, the liability of ₹ 310.50 Lacs for the year ended on 31st March, 2016 recorded for proposed dividend has been derecognised against retained earnings on 1st April, 2016.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

iii) Defined Benefit Obligation:

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by ₹ 145.48 Lacs (Net of Tax of ₹ 76.99 Lacs) for 2016-17 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

iv) Other Comprehensive Income:

Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit to profit as per Ind-AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind-AS.

v) Property Plant And Equipment, Capital Work-in-Progress And Inventory

Under previous GAAP, spare parts of PPE were usually charged to the Statement of Profit And Loss as and when consumed except the spares that could be used in connection with particular items of fixed asset (PPE) and whose use was expected to be irregular. However, as per Ind AS, spares parts procured along with the Plant And Equipment or subsequently which meets the recognition criteria of PPE are to be capitalized and added to the carrying amount of PPE. Hence, spare parts forming part of inventory which meet the recognition criteria of PPE under Ind AS are capitalised as part of PPE as on 1st April, 2016 (transition date) and for the financial year 2016-17. The effect of this change is an increase in PPE and reduction in inventory (i.e. PPE and Current Assets - Inventory).

vi) Other IND AS Adjustments (Non Current Financial Assets / liabilities and provisions)

Under previous GAAP, the Company accounted for non-current Financial Assets / liabilities and provisions at undiscounted values. In contrast, the IND AS requires that where the effect of time value of money is material, the amount of Non Current Financial Assets / liabilities and provisions should be the present value of expenditure / income expected to be required to settle the obligations / received upon maturity. This impact is recognised as an Interest Income or as other borrowing cost.

Note 26

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, 2018, 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 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.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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 and Foreign currency, to meet both the long term and short term funding requirements. The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. 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, 2018 would have been decreased/increased by ₹ 16.35 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. The Company does not enter into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

		(₹ in Lacs)	
Unhedged Short Term Exposures :		31st March, 2018	31st March, 2017
Financial Assets	USD	12,848.60	10,686.16
	EURO	804.57	389.24
Financial Liabilites	USD	2,622.54	2,812.98
	EURO	449.62	208.14
Net exposure	USD	10,226.06	7,873.18
	EURO	354.95	181.10

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 ₹ 102.26 Lacs (Previous Year - 78.73 Lacs)

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

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 Quoted and 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 31st March 2018 the investments in mutual funds and equity instruments amounts to ₹ 13173.86 Lacs. A 1% point increase or decrease in the NAV/quoted prices with all other variables held constant would have lead to approximately an additional ₹ 131.74 Lacs on either side in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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 Equity Shares, 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 counterparties, 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 mutual fund investments 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 31 March 2018 is 0.66% 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/Equity Investments 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 inflow and outflow and all liquidity requirements are planned.

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	(₹ in Lacs)			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	Note 11	1,520.24 (231.62)			
Trade Payable	Note 15	6,344.81 (3,273.79)			
Other Financial Liabilities	Note 12	27.42 (1,477.14)	2.60 (2.60)		-
Employee Benefit/ Expense liabilities	Note 12	479.66 (383.88)			
Unclaimed dividends	Note 12	183.36 (188.90)			

Figures in brackets are in respect of Previous year

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 27 Fair Values and Hierarchy

1. Financial instruments – Fair values

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

(₹ in Lacs)

31 March 2018	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	6	13,173.86	-	-	13,173.86	13,173.86	-	-	13,173.86
Others	3	-	-	235.12	235.12	-	-	235.12	235.12
Trade receivables	7	-	-	17,711.38	17,711.38	-	-	17,711.38	17,711.38
Cash and cash equivalents	8	-	-	4.69	4.69	-	-	4.69	4.69
Bank balances other than (iii) above	9	-	-	519.73	519.73	-	-	519.73	519.73
Loans	10	-	-	105.73	105.73	-	-	105.73	105.73
Others	3	-	-	46.33	46.33	-	-	46.33	46.33
		13,173.86	-	18,622.98	31,796.84	13,173.86	-	18,622.98	31,796.84
Financial liabilities									
Other financial Liabilities - Non Current									
Current	12	-	-	27.42	27.42	-	-	27.42	27.42
Borrowings	11	-	-	1,520.24	1,520.24	-	1,520.24	-	1,520.24
Trade payables	15	-	-	6,344.81	6,344.81	-	-	6,344.81	6,344.81
Other financial Liabilities	12	-	-	663.03	663.03	-	-	663.03	663.03
		-	-	8,555.50	8,555.50	-	1,520.24	7,035.26	8,555.50

(₹ in Lacs)

31 March 2017	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Investments	6	6,182.83	-	-	6,182.83	6,182.83	-	-	6,182.83
Others	3	-	-	301.64	301.64	-	301.64	-	301.64
Trade receivables	7	-	-	14,054.17	14,054.17	-	-	14,054.17	14,054.17
Cash and cash equivalents	8	-	-	26.91	26.91	-	-	26.91	26.91
Bank balances other than (iii) above	9	-	-	447.77	447.77	-	-	447.77	447.77
Loans	10	-	-	94.78	94.78	-	-	94.78	94.78
Others	3	-	-	27.53	27.53	-	-	27.53	27.53
		6,182.83	-	14,952.80	21,135.63	6,182.83	301.64	14,651.16	21,135.63
Financial liabilities									
Other financial Liabilities - Non Current	12	-	-	1,477.14	1,477.14	-	1,477.14	-	1,477.14
Borrowings	11	-	-	231.62	231.62	-	231.62	-	231.62
Trade payables	15	-	-	3,273.79	3,273.79	-	-	3,273.79	3,273.79
Other financial Liabilities	12	-	-	572.78	572.78	-	-	572.78	572.78
		-	-	5,555.33	5,555.33	-	1,708.76	3,846.57	5,555.33

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

(₹ in Lacs)

1 April 2016	Note No.	Carrying amount				Fair value		
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets								
Investments	6	336.14	-	-	336.14	336.14		
Others	3	-	-	251.57	251.57	-	-	251.57
Trade receivables	7	-	-	11,482.25	11,482.25	-	-	11,482.25
Cash and cash equivalents	8	-	-	17.02	17.02	-	-	17.02
Bank balances other than (iii) above	9	-	-	7,333.55	7,333.55	-	-	7,333.55
Loans	10	-	-	4.85	4.85	-	-	4.85
Others	3	-	-	14.33	14.33	-	-	14.33
		336.14	-	19,103.57	19,439.71	336.14	-	19,103.57
Financial liabilities								
Other financial Liabilities - Non Current	12	-	-	1,325.20	1,325.20	-	1,325.20	-
Borrowings	11	-	-	625.10	625.10	-	625.10	-
Trade payables	15	-	-	264.35	264.35	-	264.35	-
Other financial Liabilities	12	-	-	2,234.26	2,234.26	-	-	2,234.26
		-	-	3,333.60	3,333.60	-	-	3,333.60
		-	-	7,782.51	7,782.51	-	2,214.65	5,567.86

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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 Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date.
2. Non current financial assets / liabilities measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

Note 28 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Accounting Profit before Income Tax	20,337.35	20,596.53
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	7,038.35	7,128.05
Additional deduction on Research and Development expense	(221.28)	(451.06)
Effect of exempt / Lower Tax non-operating income	(1,364.74)	(2,071.26)
Effect of non-deductible expenses	97.02	101.66
Total	5,549.35	4,707.39

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 Additional/Explanatory Information

a) Earnings Per Share

Particulars		(₹ in Lacs)	
		Year ended 31st March, 2018	Year ended 31st March, 2017
Profit after taxation	₹ Lacs	14,388.12	14,027.51
Weighted Average Number of equity shares (Face Value ₹ 2/-)	Nos.	51,508,286	51,591,025
Earnings per share	₹	27.93	27.19

- 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 Rs. 4 Lacs/- (previous year Rs. 2.61 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	(₹ in Lacs)	
	2017-18	2016-17
Speciality Chemicals	60,658.06	55,077.92
Others	13,464.71	11,559.52
	74,122.77	66,637.44

- (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	(₹ in Lacs)	
	2017-18	2016-17
Revenue from External Customers:		
India	21,582.53	19,297.77
Outside India	52,540.24	47,339.67
	74,122.77	66,637.44
Non-current assets (other than financial instruments)		
India	51,470.80	49,106.73
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.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 Additional/Explanatory Information (contd..)

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:

Particulars	(₹ in Lacs)		
	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	107.52	33.88	12.15

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative intrest 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	(₹ in Lacs)	
	2017-18	2016-17
Gross amount required to be spent by the Company	376.71	326.12
Amount spent by the Company during the year on purpose other than construction/ acquisition of assets	69.18	215.49

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

- (a) Names of related parties and nature of relationship where control exists are as under:

- (b) Names of other related parties and nature of relationship:

Holding Company	i) Suchir Chemicals Private Ltd.
Key Management Personnel:	i) Mr. Vinod Saraf - Managing Director
	ii) Mrs. Vinati Saraf Mutreja - Executive Director
	iii) Mrs. Viral Saraf Mittal - Director (Corporate Strategy)
	iv) Mr. N. K. Goyal - CFO
	v) Mr. Gunvant Singhi - Company Secretary cum Finance Controller
Relatives of Key Management Personnel:	i) Mr. Sunil Saraf - Brother of Mr. Vinod Saraf
	ii) Mr. Mohit Mutreja - Husband of Mrs. Vinati Saraf Mitreja
	iii) Kavita Saraf - Wife of Mr. Vinod Saraf
Enterprise owned or significantly influenced by any key management personnel or their relatives	i) Viral Alkalis Limited
Other Related Parties	i) Vinati Oragnics Limited - Group Gratuity Trust

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 Additional/Explanatory Information (contd..)

(c) Transactions with related parties (excluding reimbursements)

Nature of Transactions

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
i) Holding Company		
Dividend payment		
Suchir Chemicals Private Limited	119.15	115.64
ii) Key Management Personnel:		
Managerial Remuneration *		
Directors	276.15	251.33
CFO	57.46	51.42
Company Secretary	26.17	23.34
Dividend paid during the year		
Mr. Vinod Saraf	34.87	34.88
Mrs. Vinati Saraf Mutreja	3.04	3.04
Mrs. Viral Saraf Mittal	2.61	2.61
Mr. Vinod Saraf		
Purchase of Land	3.11	-
iii) Relatives of Key Management Personnel:		
Sitting Fees		
Mr. Sunil Saraf	1.00	1.00
Mr. Mohit Mutreja	1.00	1.00
Dividend paid during the year		
Mrs. Kavita Saraf	31.14	31.14
iv) Enterprise owned or significantly influenced by any management personnel or their relatives		
Sales - Viral Alkalis Ltd	2.04	1.54
Purchase - Viral Alkalis Ltd	101.82	-
Sale of Machinery - Viral Alkalis Ltd	1.45	-
v) Other Related Parties (Vinati Organics Limited group gratuity cash accumulation trust)		
Contributions paid	124.13	237.66
Contributions payable	57.77	74.13

* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

d) 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 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil). 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 FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 Additional/Explanatory Information (contd..)

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	Year ended 31st March, 2018	(₹ in Lacs) Year ended 31st March, 2017
i) Employer's contribution to Provident Fund and Family Pension Fund*	279.19	241.29

*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 31-3-2018 are produced in the tables below:

i) Changes in the Present Value of Obligation

Particulars	Year ended 31st March, 2018	(₹ in Lacs) Year ended 31st March, 2017
Present Value of Obligation as at the beginning	761.80	475.87
Current Service Cost	88.49	53.67
Interest Expense or Cost	56.57	36.09
Re-measurement (or Actuarial) (gain) / loss arising from:		-
- change in financial assumptions	(49.50)	190.72
- experience variance (i.e. Actual experience vs assumptions)	56.94	31.83
Benefits Paid	(34.80)	(26.38)
Present Value of Obligation as at the end	879.50	761.80

ii) Changes in the Fair Value of Plan Assets

Particulars	Year ended 31st March, 2018	(₹ in Lacs) Year ended 31st March, 2017
Fair Value of Plan Assets as at the beginning	687.66	434.20
Investment Income	55.66	42.11
Adjustment to opening Fair Value of Plant Asset	-	(0.01)
Return on Plan Assets excluding interest income	(10.93)	0.08
Employer's Contribution	124.13	237.66
Benefits Paid	(34.80)	(26.38)
Fair Value of Plan Assets as at the end	821.72	687.66

iii) Expenses Recognised in the Income Statement

Particulars	Year ended 31st March, 2018	(₹ in Lacs) Year ended 31st March, 2017
Current Service Cost	88.49	53.67
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.91	(6.02)
Expenses Recognised in the Income Statement	89.40	47.65

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 Additional/Explanatory Information (contd..)

iv) Other Comprehensive Income

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (gains) / losses		
- change in financial assumptions	(49.50)	190.72
- experience variance (i.e. Actual experience vs assumptions)	56.94	31.83
Return on Plan Assets excluding interest income	10.93	(0.08)
Components of defined benefit costs recognised in other comprehensive income	18.37	222.47

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	(₹ in Lacs)	
	As on Saturday, March 31, 2018	Friday, March 31, 2017
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:

Particulars	(₹ in Lacs)	
	As on Saturday, March 31, 2018	Friday, March 31, 2017
Discount rate (per annum)	7.60%	6.69%
Salary growth rate (per annum)	8.00%	8.00%

b. Demographic Assumptions

Particulars	(₹ in Lacs)	
	As on Saturday, March 31, 2018	Friday, March 31, 2017
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 FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 Additional/Explanatory Information (contd..)

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:

Particulars	(₹ in Lacs)	
	As on March 31, 2018	As on March 31, 2017
Defined Benefit Obligation (Base)	879.50	761.80

Particulars	Saturday, March 31, 2018		Friday, March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	832.56	931.75	834.38	699.28
(% change compared to base due to sensitivity)	-5.34%	5.94%	9.53%	-8.21%
Salary Growth Rate (- / + 1%)	840.29	921.78	710.67	815.86
(% change compared to base due to sensitivity)	-4.46%	4.81%	-6.71%	7.10%
Attrition Rate (- / + 50%)	878.15	880.94	Not available	
(% change compared to base due to sensitivity)	-0.15%	0.16%		

Please note that 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	
The Company's best estimate of Contribution during the next year (₹ in Lacs)	96.34
- Maturity Profile of Defined Benefit Obligation	
Weighted average duration (based on discounted cash flows)	7.85 Years
- Expected cash flows over the next (valued on undiscounted basis):	
1 year (₹ in Lacs)	117.36
2 to 5 years (₹ in Lacs)	391.71
6 to 10 years (₹ in Lacs)	387.97

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 29 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 - ₹21571.91 Lacs (Previous Year ₹2942.31 Lacs)

i) Contingent Liabilities not provided for:

- (i) Bank Guarantees - ₹1732.63 Lacs (Previous Year - ₹1102.34 Lacs)
- (ii) Letters of Credit issued by the Banks - ₹1684.83 Lacs (Previous Year - ₹834.26 Lacs)
- (iii) Claims not acknowledged as debts:
 - (a) Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹87.61 Lacs (Previous Year ₹124.18 Lacs)
 - (b) Disputed Income Tax Demands - ₹3.48 Lacs ((Previous Year ₹10.47 Lacs)
 - (c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of ₹23.25 Lacs (Previous Year ₹23.25 Lacs). The Company had filed the Appeal to The Collector of Raigad, Alibag, and hopeful for the demand likely to be waived off.
 - (d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 ₹14.39 Lacs (Previous Year ₹14.39 Lacs). The Company requested MIDC to waive the DPC and hopeful to be waived off.

j) Events Occuring after the Balance Sheet date

The proposed final dividend for FY 2017-18 amounting to ₹ 2312.60 Lacs will be recognised as distribution to owners during the financial year 2018-19 on its approval by Shareholders. The proposed final dividend per share amounts to ₹4.50

For and on behalf of Board of Directors

For M.M.Nissim & Co

Chartered Accountants
Firm Regn.No. 1107122W

Gunvant Singhi

Company Secretary cum
Finance Controller

Vinod Saraf

CEO & Managing Director
DIN : 00076708

N.Kashinath

Partner
Membership No. 036490

Nand Kishor Goyal

Chief Financial Officer

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

Place: Mumbai

Date: 12th May 2018

NOTICE

NOTICE is hereby given that the TWENTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF VINATI ORGANICS LIMITED (the "Company") will be held on Saturday, 28th day of July, 2018 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, 2018 and Profit & Loss Account and Cash

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

Mumbai, 12th May 2018

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 Dividend on equity shares.
3. To appoint a Director in place of Mr. Sunil Saraf who retires by rotation at this meeting and being eligible, offers himself for reappointment.

By order of the Board of Directors

Gunvant S. Singhi

Company Secretary cum Finance Controller

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 19th July, 2018 to Saturday, the 28th July, 2018 (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. Registrars and Transfer Agents:

The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Indl. Premises, Safed Pool, Andheri-Kurla Road, Mumbai – 400 072 as the Registrars and Transfer Agents ("R&TA") for all aspects of investor servicing relating to shares.

5. The Company's securities are listed at the Bombay Stock Exchange 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 Fee as prescribed has been paid to the above stock exchanges.

6. The dividend on equity shares as recommended by the Board of Directors 225% on the share capital of the Company i.e. Rs.4.50 per Equity Share of face value of Rs.2/- each for the year ended 31st March 2018, if declared at the meeting, will be made payable on or after 29th July, 2018 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 18th July, 2018 or those, whose names appear as beneficial owners as at the end of business on 18th July, 2018 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.

Shares held in :

	Number of records	Number of shares (Quantity)
CDSL	03	507
NSDL	08	6055
Physical	681	553250
Total	692	559812

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, Luthra Industrial Premises, Unit No.1, Safed Pool, Andheri- Kurla Road, Andheri (East), Mumbai –400 072, Phone: 022-28515606/5644, Email:sharexindia@vsnl.com .

8. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2009-2010 (Final) and the dividends for the subsequent years, which remain unpaid or unclaimed for a period

7. 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.

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 31.05.2017, 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 559812 equity shares to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs on 31.10.2017 the details of shares transferred are as under:

of 7 years will be transferred to the Fund. Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2010-2011 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 3rd September, 2018, 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.

9. 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.

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.

10. 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 DP's 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 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 DP's. 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

11. 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.

12. 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.

13. Accordingly at the ensuing Annual General Meeting, Mr. Sunil Saraf retiring by rotation and being eligible offer himself for re-appointment. Mr. Mohit Mutreja does not offer for reappointment. The Board wishes to place on record its appreciation for his valuable contribution during his association with the Company. 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 directors 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.

14. The Annual Report of the Company for the year 2017-2018, circulated to the Members of the Company, is available on the Company's website viz. www.vinatiorganics.com. The Company does not have Subsidiary Company.
15. 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.
16. 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.
17. 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.
18. 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 to register the email id.
19. 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 29th 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 29th 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.

20. The Nomination Form **(Annexure II)** and Postal Ballot Form **(Annexure III)** have been enclosed herein.
21. 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.

By order of the Board of Directors

Mumbai, 12th May 2018

Gunvant S. Singhi
Company Secretary cum Finance Controller



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 shareholders voting electronically are as under:

- (i) The voting period begins on 25.07.2018 at 9 a.m. and ends on 27.07.2018 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 18.07.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<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"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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, under help section or write an email to helpdesk.evoting@cdslindia.com.



Vinati Organics Limited

Annexure I

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

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/behalf at the 29th Annual General Meeting of the Company to be held on Saturday, 28th July, 2018 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
1.	Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2018 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		

Signed this _____ day of _____ 2018

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 Nomination Form

Annexure II

[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. 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

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 postal ballot for the businesses stated in the notice of the Company dated 12.05.2018 by recording, my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Sr. 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, 2018 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			

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 18.07.2018.
- 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 27.07.2018 (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** 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 **28th July, 2018** 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



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 upto-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,
Behind MCA, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

