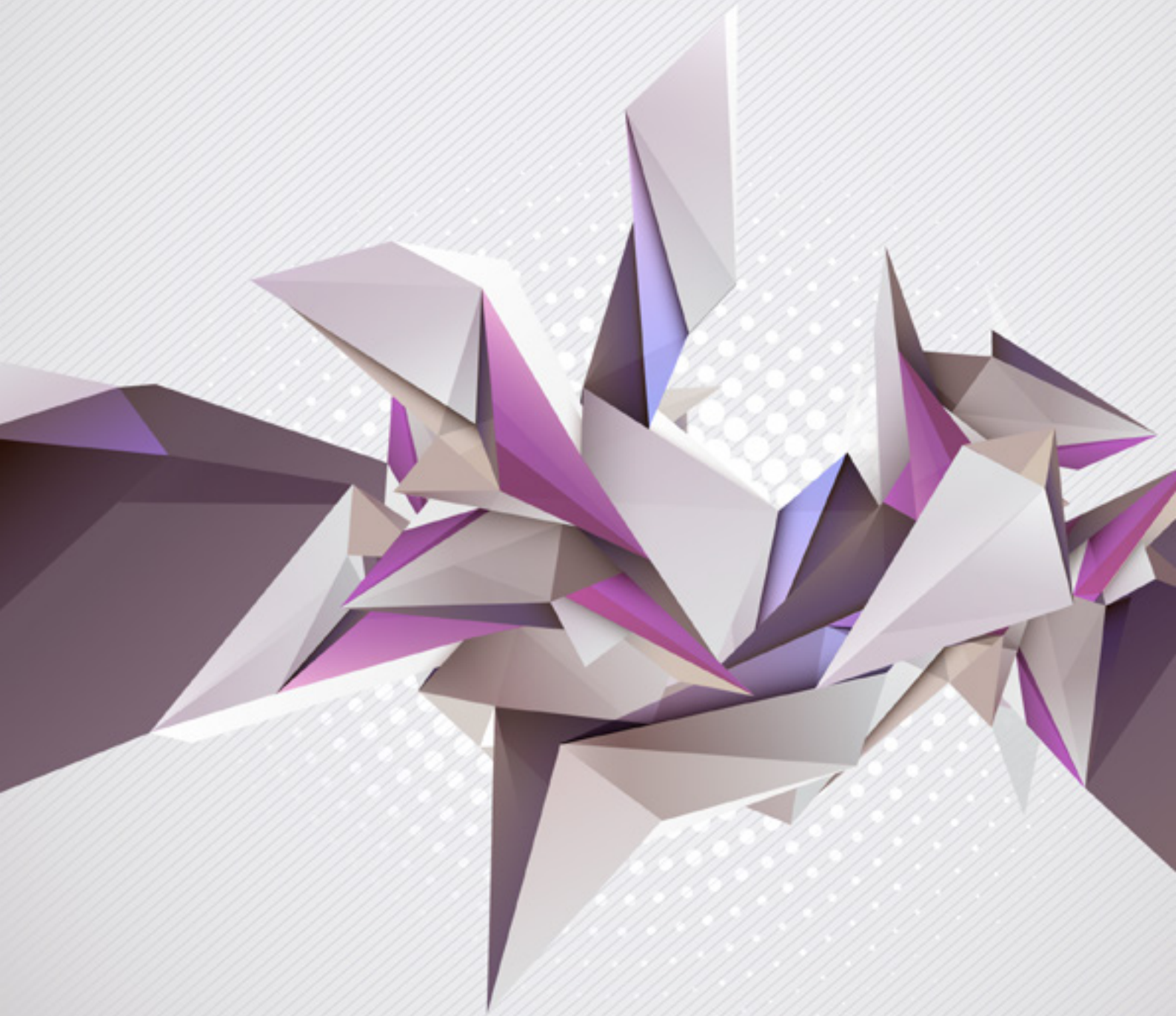




Vinati Organics Limited

Annual Report  
**2019-20**



# **Trusted and Committed.**

Shaping a Reliable Future

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## Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.




## Our investments to forge long-term relationships are more precious than short-term profits.

Our immaculate focus on building **excellence** through **sustained growth** drives us to build new frontiers.

At Vinati Organics, we choose to shape our future as a **trusted** and **committed** partner for all our stakeholders.

Our persistent efforts to consistently create value and strategically enhance operations have set precedents for future success. The perfect culmination of **knowledge** and **innovation** now secures Vinati's leadership in a niche segment, instilling agility and confidence to deliver exceptional products that set **global benchmarks**.

We now endeavour to triumphantly design a future-ready organization – to not just build on our leadership but, to truly secure a **versatile foundation** for greater glory and success.





# About Us

Since inception in 1989, Vinati Organics Limited (VOL) has continued to excel in delivering specialty chemicals products for diverse industries. In the process, we are today a leading global manufacturing company of specialty chemicals for some of the largest companies in the world.

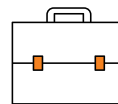
VOL is a niche chemicals manufacturer, working with new processes to develop products at cost effective rates and expanding its market presence. VOL is today the largest producer of IBB and ATBS in the world with a dominant market share.

Having started as a single product manufacturing company, today VOL has an impressive niche chemicals portfolio with market leadership in majority of the products. Our manufacturing units at Mahad, Raigad and Lote, Ratnagiri possess state-of-the-art technologies with effective environment norms, delivering quality end products to our consumers.



**30+**

Years of an enterprising business entity



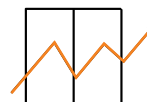
**20+**

Products in the portfolio



**2**

Manufacturing units



**ZERO**

Long Term-Debt as on March 31, 2020

### Indian roots. Global presence.

Since three decades, we have always focused on building an enterprise with products that serve clients across the globe. We achieved this with our relentless focus on quality with patented process innovations that has helped us gain the trust and commitment of our clients over the years.



**35+**

Countries of export presence



**#1**

Ranked IBB manufacturer in the world



**65%**

Global market share of IBB



**#1**

Ranked ATBS manufacturer in the world



**65%**

Global market share of ATBS

# Message from the Management



**In trying circumstances such as this, our ability to deliver exceptional products enable us to secure our market leadership in a niche segment, instilling agility and confidence to set global benchmarks.**

## Dear Shareholders,

It is a pleasure to share Vinati Organics' performance in FY 2020 as we delivered a strong performance despite weak economic sentiments across the globe. We maintain relentless focus on quality with patented process innovations that has helped us gain the trust and commitment of our clients over the years and contributed in making us a leading specialty chemicals manufacturing company.

With multiple challenges plaguing the economy, including trade wars among major countries, uncertain trade policies and the recent COVID-19 pandemic, almost every sector witnessed a significant slowdown in FY 2020. Despite these headwinds, Vinati Organics has maintained a firm footing in the industry and we continued to retain our market leadership. The Company recorded a net income of ₹1073 crore and the operating income stood at ₹1029 crore. ROE for the year was 26.09% and net profit grew to ₹334 crore in FY 2019-20, from ₹282 crore in FY 2018-19.

In trying circumstances such as this, our ability to deliver exceptional products enable us to secure our market leadership in a niche segment, instilling agility and confidence to set global benchmarks. We now endeavour to successfully design a future-ready organization and build new frontiers to sustain growth through relentless excellence.

We have been using surplus cash to fund growth through advanced research and development programs to launch new products that allow us to retain an edge over our peers. Our team's focus on developing a new process for manufacturing butylphenol is another milestone in our journey. We are the sole manufacturer in India and believe, it can result in incremental revenues of ₹400 crore a year, within the next three years. The company has about a dozen other chemicals in research and development (R&D) phase, which could contribute immensely to the growth of our company.

Moreover, macroeconomic factors appear to be quite promising for India as China's market continues to shrink and companies from around the world are looking at alternate channels for procuring varied products. The coming years are likely to be crucial for the Indian Chemical industry as it continues to rapidly expand its market share, gradually moving to capitalize on China's potential losses. At Vinati, we look ahead with enthusiasm and will be focusing on efficiently expanding our capacity while adding innovative and cutting-edge products. Therefore, our R&D efforts are likely to be scaled up further as we stand at the cusp of an opportunistic industry landscape.

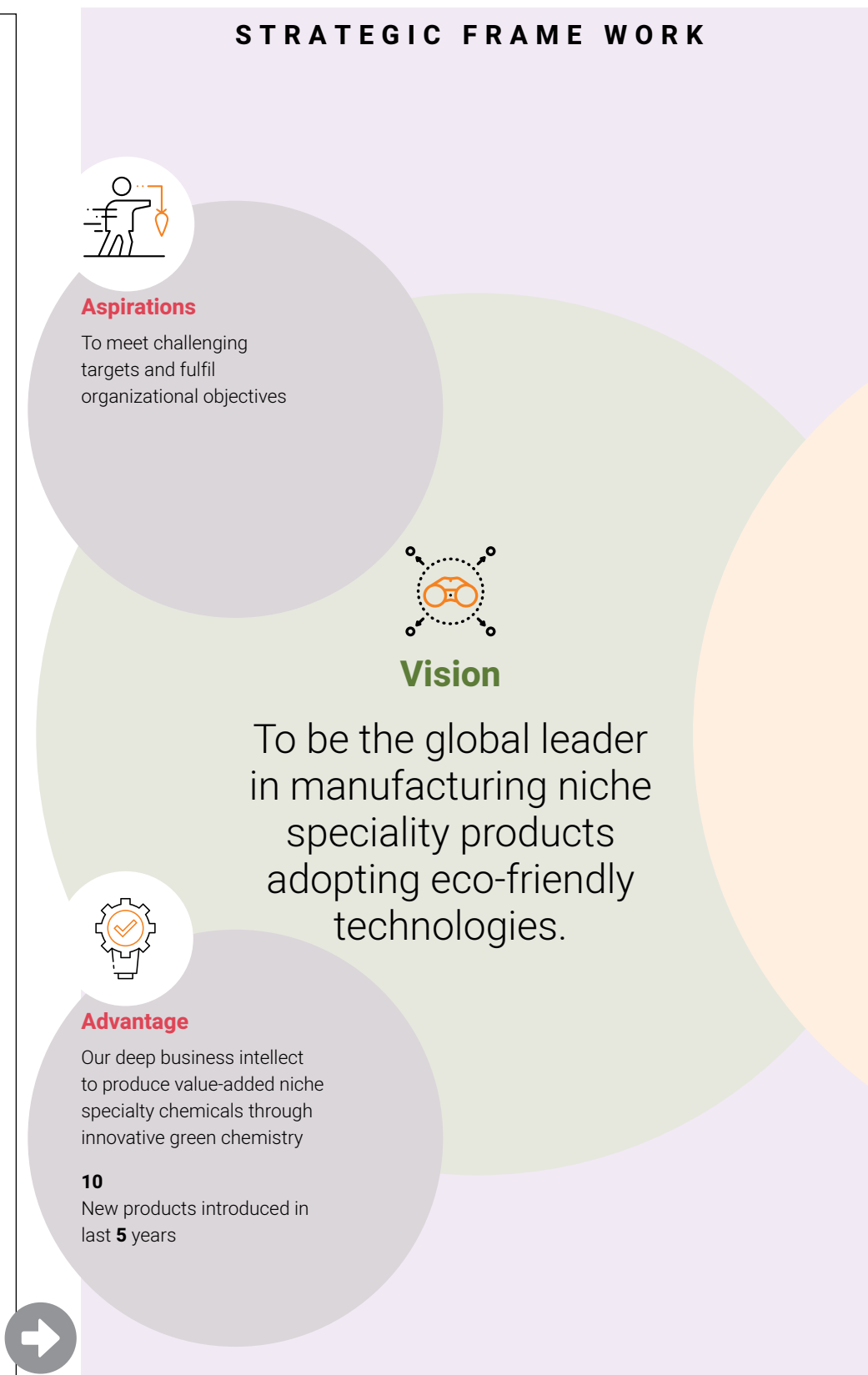
We would like to take this opportunity to express our heartfelt gratitude to the Board of Directors, the Management and all our employees for their sincere efforts, relentless focus and enduring commitment towards the growth and success of our organization. It is also time to extend our appreciation for our valued shareholders, customers, and suppliers for constantly supporting and standing by us and motivating us to set new benchmarks.

**Vinod Saraf**  
Chairman

**Vinati Saraf Mutreja**  
Managing Director & CEO

# Our Business Model

INPUTS	<b>Financial Capital</b> Astute financial management
	<b>Intellectual Capital</b> Strategic partnerships with renowned institutes <b>Strong &amp; Capable</b> R&D team Sustained investments in R&D over the years
	<b>Manufactured Capital</b> <b>2</b> Manufacturing units Integrated and synergic setup
	<b>Human Capital</b> Employees are the core of our organisation
	<b>Social &amp; Relationship Capital</b> Regular spend on community and society empowering initiatives
	<b>Natural Capital</b> <b>Committed</b> efforts directed towards building an eco-friendly operating process







### Operations

Our integrated business model and product innovations backed by large capacities allows us to achieve high efficiency levels and expand our market share



### Mission

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



### Opportunity

Our wide product portfolio makes us the preferred supplier and partner for major global companies present across several downstream industries

**74%**  
International  
revenue share

## OUTCOME

### Intellectual Capital

Trusted brand by clients across the country and globe

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

### Manufactured Capital

**20+**

Products in portfolio

**Only**

manufacturer in India of ATBS, TBA, TOA, PTBT, PTBBA, PTBMB, PTBP, OTBP, 2,4DTBP, 2,6DTBP

### Human Capital

- **Invested** in employee training programs during the year
- **Increased** productivity
- **Skilled** work force to maintain sustainable profitable growth

### Social & Relationship Capital

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

### Natural Capital

**ZERO**

effluent discharge system across manufacturing plants

# Business Excellence



## Niche portfolio

With a deep insight into the transformation of generic raw materials into niche value-added products, we remain among the leading specialty chemical companies in the world.



## Integrated

Over the years, we have built unmatched synergies between our products, expanding our capacities as well driving significant synergies.



## Trusted

Our customer profile consists some of the leading global companies in the world, across several downstream industries, associated with us for years. We garnered revenues of 65% from clients associated with us for more than 5 years



### Process Innovation

Over the years, we have continuously invested in research to modify the use of catalysts, processes and operating parameters to achieve higher purity standards.



### Economies of scale

The expertise of our R&D has helped commission a lower capital cost per tonne than existing global benchmarks.



### Green Chemistry

We have consistently invested in cutting-edge equipment and infrastructure to treat waste on the one hand and enhance operating efficiency with the objective to minimise effluent generation at source.

# Product Portfolio

We believe in the power of chemistry to make the world a better place. By ensuring long-term dependability and building valuable relationships, we ensure sustainable growth.

We produce organic chemicals, specialty chemicals and niche specialty chemicals. Our intellectual capital, research efforts and collaborations serve us well to emerge as the first point of call for existing and prospective customers.

## Speciality Monomers



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

### Product

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

### Applications

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

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

### Product

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

### Applications

- Pharmaceutical
- Speciality solvent
- Paint & coatings, agrochemicals

## Speciality Aromatics





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

#### Product

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

#### Applications

- Pharmaceutical
- Speciality solvent
- Paint & coatings, agrochemicals
- Tyre Industry, Gasoline
- Rubber, Crop protection
- Personal Care
- PVC stabilisers, Alkyd resins

#### Other Speciality Products



#### Miscellaneous Polymers



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

#### Product

- Vinflo HT
- Vinplast 245 (Acrylic Super Plasticizer)

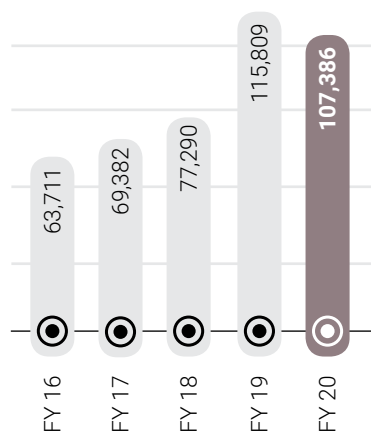
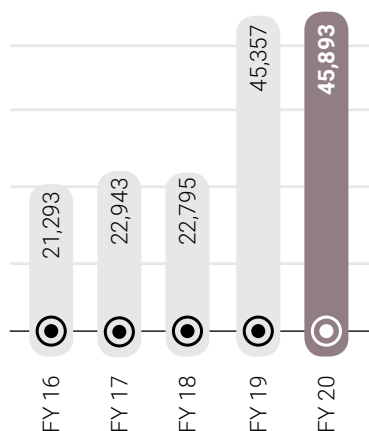
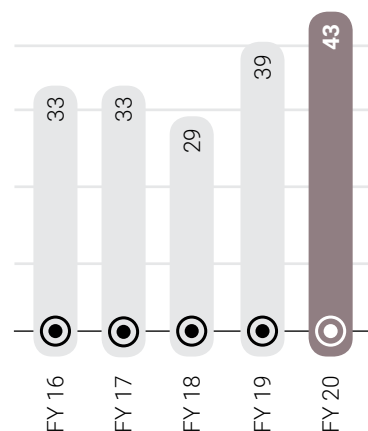
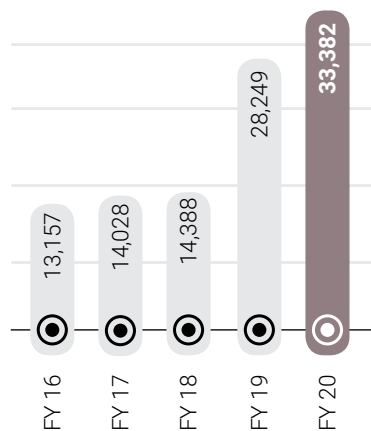
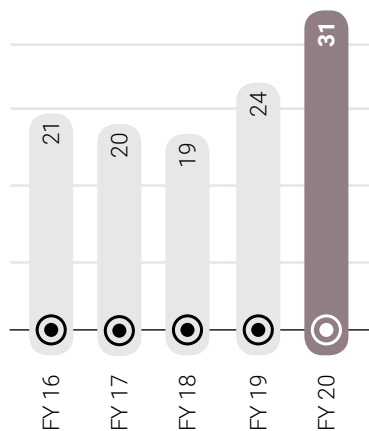
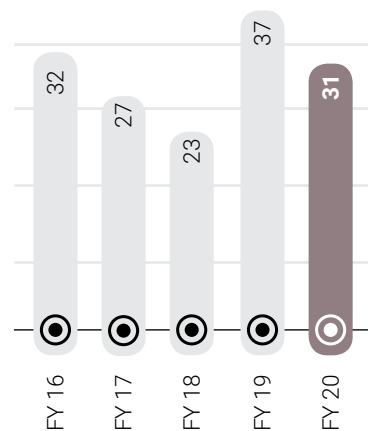
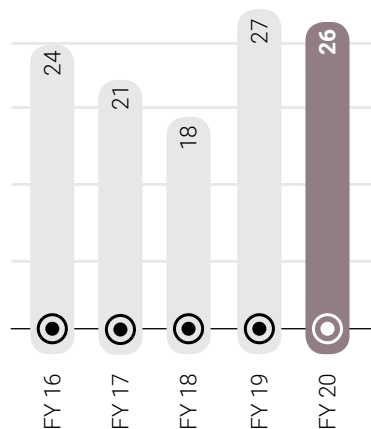
#### Applications

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

#### Downstream Sectors

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

# Financial Highlights

**Revenue** (₹ in Lakhs)

**EBIDTA** (₹ in Lakhs)

**EBIDTA Margin** (%)

**PAT** (₹ in Lakhs)

**PAT Margin** (%)

**ROCE** (%)

**RONW** (%)


# Awards & Recognitions

VOL was named the **Most Promising Company of the Year** by CNBC-TV18 IBLA 2020

VOL was declared **STAR SME of the Year** by the **Business Standard Annual Awards 2019**

VOL adjudged **Company of the Year** in Chemicals by **FICCI Chemicals and Petrochemicals Awards 2019**

Mr. Vinod Saraf was awarded with the **2019 Hurun Selfmade Entrepreneur of the Year**

**The World Economic Forum (WEF)** named Ms. Mutreja in its list of **Young Global Leaders**

Ms. Vinati Saraf Mutreja was listed in The Economic Times annual **"India's Top 40 under 40"** for 2019

In the **FE CFO of the Year Awards 2019**, VOL was adjudged winner in the **Large Enterprises – Manufacturing Category**

Ms. Mutreja was elected to the prestigious **The Economic Times Women Ahead 2019 list**



# Board of Directors



**Mr. Vinod Banwarilal Saraf**

Executive Chairman

DIN: 00076708

Mr. Vinod Saraf is the founder of VOL. He has over 50 years of rich experience in the Indian chemical industry. Prior to VOL he was associated with Bhilwara Group, Modern Syntex (I) Ltd. and Grasim Industries and was nominated as the MD of Mangalore Refinery & Petrochemicals Ltd. (MRPL). He was recently awarded the 2019 HURUN India Selfmade Entrepreneur of the year.

**Ms. Vinati Saraf Mutreja**

Managing Director & CEO

DIN: 00079184

Ms. Vinati Saraf joined VOL in 2006. She holds a Bachelor's of Science in Economics (Finance) from The Wharton School and Bachelors in Applied Science from the School of Engineering (University of Pennsylvania). She has over 14 years of experience in the managerial team at VOL and spearheads the Marketing, Finance & Operation functions at VOL. She is named in the World Economic Forum's Young Global Leader's list and was also listed in The Economic Times annual "India's Top 40 under 40" for 2019.



**Ms. Viral Saraf Mittal**

Director – CSR

DIN: 02666028

Ms. Viral Saraf Mittal became a part of VOL in 2009. She holds a Bachelors of Science degree in Economics (Finance and Management) from The Wharton School, University of Pennsylvania. She has volunteered at reputed non profit organizations like Pratham and Dasra and brings her rich knowledge of the social sector to VOL's CSR activities. She is also a Partner and a Volunteer at Social Venture Partners (SVP) Mumbai chapter.

**Mr. J.C. Laddha**

Independent Director

DIN: 00118527

(w. e. f. 13th June 2020)

Mr. J.C Laddha is appointed as Independent Director. He is a Chartered Accountant by qualification. Presently he is the Director on Board of M/s. BSL Limited, Bhilwara, M/s. Lagnam Spintex India Ltd., Bhilwara and Deputy Chairman of Rajasthan Textile Mills Association. Being a guiding force of many Textile companies Mr. J.C. Laddha has been felicitated with numerous awards for business acumen and leadership skills.





**Ms. Mona M. Bhide**

Independent Director  
DIN: 05203026

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

**Mr. Sunil Banwarilal Saraf**

Non-Independent Director  
DIN: 00076887

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

**Mr. Adesh Kumar Gupta**

Independent Director  
DIN: 00020403

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

**Dr. M. Lakshmi Kantham**

Independent Director  
DIN: 07831607

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

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



# Corporate Information

## Board of Directors

Mr. Vinod Saraf (DIN:00076708),  
Executive Chairman

Ms. Vinati Saraf Mutreja (DIN:00079184),  
Managing Director & CEO

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

Mr. R. K. Saraswat (DIN: 00015095),  
Independent Director (upto 31.03.2020)

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

Mrs. Mona Bhide (DIN: 05203026),  
Independent Director

Mr. Adesh Kumar Gupta (DIN: 00020403),  
Independent Director

Prof. M. Lakshmi Kantam (DIN: 7831607),  
Independent Director

Mr. J. C. Laddha (DIN: 00118527),  
Independent Director (w. e. f. 13.06.2020)

## Chief Financial Officer

Mr. N. K. Goyal

## Company Secretary & Compliance Officer

Mr. Milind A. Wagh

## Bankers

State Bank of India

Citibank N.A.

HDFC Bank Ltd.

## Auditors

M. M. Nissim & Co.  
Chartered Accountants

## Registered Office & Mahad Works

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

## Lote Works

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

## Registrar & Transfer Agents

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

## Corporate Office

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

# Directors' Report

To the Members,

Your Directors have pleasure in presenting their Thirty-first Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2020.

## 1) FINANCIAL RESULTS:

The summarized position of these results is given below

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Net Sales/Income from Operations</b>	102887.39	112792.36
Other Income	4498.92	3017.10
<b>Total Income</b>	<b>107386.31</b>	<b>115809.46</b>
Profit before Finance cost, Depreciation & Taxes	45892.53	45357.04
Finance cost	109.22	94.40
Profit before Depreciation & Taxes	45783.31	45262.64
Depreciation & Amortisation Expense	3316.05	2738.56
<b>Profit before Taxation</b>	<b>42467.26</b>	<b>42524.08</b>
Provision for Taxation - Current	9559.51	13861.73
Deferred	(1408.51)	371.30
Earlier year adjustment	933.78	42.21
<b>Profit for the year</b>	<b>33382.48</b>	<b>28248.84</b>
Items that will be reclassified to profit or loss re-measurements of defined benefit plans	(50.13)	1.00
Income Tax relating to items that will not be reclassified to profit or loss	12.62	(0.35)
Total other comprehensive income for the year, net of tax	(37.51)	0.65
<b>Net Profit for the year</b>	<b>33344.97</b>	<b>28249.49</b>

## 2) COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. Factories restarted because of essential product. As of March 31, 2020, work from home was enabled to close to 100 percent of the corporate office employees to work remotely and securely. This response has reinforced customer confidence in Vinati Organics and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter

of FY-2020, the good balance sheet position, fair profitability and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market space.

## 3) REVIEW OF OPERATIONS:

The Net Sales/Income from operations achieved during the year is ₹102887.39 Lakhs compared to ₹112792.36 Lakhs in the last Financial Year 2018 – 19. The net profit after tax increased to ₹33382.48 Lakhs as compared to ₹28248.84 Lakhs in the previous year up by 18%.

## 4) STATE OF AFFAIRS:

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

There has been no change in the business of the Company during the financial year ended March 31, 2020.

## 5) DIVIDEND:

For FY 2020, based on the Company's performance, the Directors have declared interim dividends of ₹5 per equity share. The Directors have also recommended a final dividend of ₹50 paise per equity share of the face value of ₹1 each, taking the total dividend to ₹5.50 per equity share.

The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹513.91 Lakhs. The total dividend on equity shares including dividend tax for FY 2020 would aggregate to ₹6709.37 Lakhs, resulting in a dividend payout of 20% of the profits of the Company.

For FY 2019, the Company paid a total dividend of ₹7 per equity share of the face value of ₹2 each. The total cash outflow for FY 2019 including dividend and dividend tax amounted to ₹4336.82 Lakhs.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is disclosed in this report as **Annexure 'A'** and is uploaded on the Company's website <https://www.vinatiorganics.com>

## 6) SUB-DIVISION OF FACE VALUE OF EQUITY SHARES

The Members had passed Resolution approving Sub-division of one Equity Share of face value of ₹2/- each into two Equity Shares of face value of ₹1/- each through Postal Ballot dated December 25, 2019. The record date for the aforesaid sub-division was February 06, 2020. Accordingly, the face value of equity shares of the Company stands reduced to ₹1/- per share.

## 7) SUBSIDIARY COMPANY:

The Company does not have any subsidiary company.

## 8) INSURANCE:

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

## 9) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Vinati Saraf Mutreja,

Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment.

During the year, Mr. R. K. Saraswat, has ceased to be Non-Executive and Independent Director upon completion of his second term, effective from April 1, 2020. The Board appreciated his valuable advice and guidance to the Company during the tenure of his term as director of the Company.

Further on the recommendation of Nomination and Remuneration Committee, Shri Jagdish Chandra Laddha (DIN: 00118527) has been appointed as Additional Director - Non-Executive and Independent Director of the Company w. e. f. June 13, 2020 by the Board in its meeting held on June 13, 2020.

On being attained at an age of 70 years on June 16, 2020 as Executive Chairman, by Shri Vinod Saraf, an approval of members by passing a Special Resolution under Section 196 read with Schedule V of the Companies Act, 2013 (here in after to be referred as the "Act") is required.

Accordingly, the existing resolution and terms approved by the members by passing the Resolution no. 5 of the Notice and the Explanatory Statement annex thereto of 30<sup>th</sup> AGM of the Company held on July 27, 2019 is proposed to modify in compliance of Section 196, 197, 198, Schedule V and other applicable provisions of the Act, read with relevant Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and members' approval is sought for appointment/continuation of appointment and remuneration of Mr. Vinod Saraf as Chairman and Whole-Time Director, designated as "Executive Chairman" as per the item no. 5 set out in the Notice of 31<sup>st</sup> AGM.

Further, compliance to the provisions of Regulation 17(1B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, effective from April 1, 2022, the Company shall ensure that the Chairperson of the Board shall be a Non-Executive Director and shall not be related to the Managing Director or the Chief Executive Officer of the Company

The Company has received all the applicable declarations under Section under 149(7) of the Act, Rule 6(3) of the Companies (Appointment and Qualification of Directors) 5<sup>th</sup> Amendment Rules, 2019 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") from each Independent Director. There have been no circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission



and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

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

#### 10) 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 Act, has been disclosed in the Corporate Governance Report, which forms part of this report. The Remuneration policy has been posted on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

#### 11) FIXED DEPOSITS:

During the year under review the Company did not invite or accept any Fixed Deposits from public within the meaning of Sections 73 and 76 of the Act and as such, no amount of principal or interest was outstanding as on the date of balance sheet.

#### 12) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company had a total foreign exchange earnings and outgo as provided below during the year ended 31<sup>st</sup> March, 2020:

Foreign Exchange Earnings - ₹78,245.32 Lakhs  
Foreign Exchange Outgo - ₹ 14,881.60 Lakhs

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

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

#### 14) HUMAN RESOURCE:

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

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

#### 15) 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.

#### 16) LISTING:

The Company's equity shares are listed at BSE & NSE. We confirm that the Listing fee for the financial year 2020 – 21 has been paid. The stock code of the company at BSE is 524200 and NSE is VINATIORGA.

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

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

#### 18) DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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;
- they have taken proper and sufficient care for the 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 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 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 2019-20.

## 19) MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH, 2020):

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY20) of the Company to which the Financial Statements relate and the date of this report.

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

The Corporate Governance and Management's Discussion and Analysis Reports, which form an integral part of this report, are set out in separate annexures to this report, along with the certificate from the Auditors of the Company certifying compliance of the conditions of the Corporate Governance as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. **See Annexures 'C', 'D' & 'E'**

## 21) EMPLOYEES:

The Company is required to make disclosure under Section 134 of the Act for its employee drawing remuneration in excess of ₹1.02 Cr P.A. or ₹8.50 Lakhs Per month. **See Annexure 'F'**

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

1. Mr. Vinod Saraf – Executive Chairman – 13900582 shares - 13.52%
2. Mrs. Kavita Vinod Saraf – Spouse – 12414456 shares - 12.08%

## 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.

## 22) CORPORATE DEVELOPMENT:

During the reporting period the shareholders approvals were sought for the following businesses through postal ballot dated December 25, 2019;

Item No	Description of the Resolution	Kind of Resolution
1.	Sub-division of one Equity Share of face value of ₹2/- each into two Equity Shares of face value of ₹1/- each,	Special Resolution
2	Alteration of the Capital Clause of Memorandum of Association ("MOA") of the Company.	Ordinary Resolution
3	The alteration of the Articles of Association ("AOA") of the Company	Special Resolution
4	VOL Employee Stock Option Plan 2019.	Special Resolution

## 23) COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Company as on 31<sup>st</sup> March, 2020 comprised the following Directors of the Company:

1. Mr. R. K. Saraswat: Independent Director – Chairman (Till March 31, 2020)
2. Mrs. Mona Bhide : Independent Director - Member
3. Mr. Adesh Kumar Gupta: Independent Director – Member
4. Mr. J. C. Laddha (Effective from June 13, 2020)

## 24) ESOP/ ESOS:

During the year under review, the Company has approved "VOL Employee Stock Option Plan 2019" ("ESOP 2019"/ "Plan") Scheme of the Company. The ESOP 2019 Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('the SEBI Regulations').

Pursuant to the approval by the shareholders, the Company can grant up to 200000 options to the eligible employees of the Company under the ESOP 2019.

Disclosures pertaining to the ESOP 2019 Scheme pursuant to the SEBI Regulations are placed on the Company's website [www.vinatiorganics.com](http://www.vinatiorganics.com)

## 25) SWEAT EQUITY:

The Company has not issued any sweat equity.

## 26) PREFERENTIAL ALLOTMENT:

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

## 27) REDEMPTION OF SHARES/ DEBENTURES:

The Company has not redeemed any Shares or Debentures.

## 28) DISQUALIFICATION OF DIRECTOR:

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

## 29) CORPORATE SOCIAL RESPONSIBILITY:

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

All the members of Corporate Social Responsibility Committee mentioned above i.e. Mr. Vinod Saraf, Chairman, Mr. R. K. Saraswat, Director (upto March 31, 2020), Ms. Vinati Saraf Mutreja, Managing Director & CEO, Dr. Prof. M. Lakshmi Kantam, Independent Director (w.e.f 13.06.2020) & Ms. Viral Saraf Mittal, Director- CSR 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 ₹555.50 Lakhs. Prescribed CSR expenditure is ₹366.95 Lakhs. Details of CSR spent during the financial year 2019 - 20 are as per **Annexure 'G'** enclosed. Amount unspent during the year is ₹188.55 Lakhs as good projects were not found till 31.03.2020. The Corporate Social Responsibility (CSR) policy of the Company has been posted on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

## 30) POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed there under and an Internal Complaints Committee consisting of Ms. Vinati Saraf Mutreja, Managing Director & CEO, Ms. Viral Saraf Mittal, Director – CSR and Advocate Ms. Satyapriya M. Rao. The Committee has been setup to address 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 period under review, no complaints were received. The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Sexual Harassment policy posted on the website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com)

## 31) EXTRACT OF ANNUAL RETURN- MGT – 9:

Extract of Annual Return for financial year ended 31.03.2020 (Pursuant to section 92(3) of the Act, read with the Companies (Management and Administration) Rules, 2014) in the prescribed Form No. MGT-9 is given in the **Annexure 'H'** which is a part of this report. The same is available on website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com)

## 32) RISK MANAGEMENT:

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

### 33) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company had not given any loans and guarantees. The Company had made investments amounting to ₹22739.46 Lakhs as given below

(₹ in Lakhs)	
Description of the Resolution	Kind of Resolution
Mutual Fund	
132777.592 Units - HDFC Liquid Fund - Direct - Growth	5,187.10
1368984.676 Units	5,344.11
ICICI Prudential Savings Fund - Direct - Growth	
13446266.227 Units	4,417.60
Kotak Savings Fund - Direct - Growth	
Exchange Traded Fund	
300000 Units	3,003.00
Bharat Bond ETF - April 2023	
Non-Convertible Debenture	
80 Units	858.24
Aditya Birla Finance Ltd - NCD	
1000 Units	1,064.80
Citicorp Finance (I) Ltd - NCD	
50 Units	584.22
HDB Financial Services Ltd. - NCD	
200 Units	2,280.40
India Infoline Finance Ltd. - NCD	
<b>Total</b>	<b>22,739.46</b>

### 34) DEPOSITS FROM PUBLIC:

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

### 35) PARTICULARS OF EMPLOYEES:

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

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

Sr. No.	Whole-time directors	Ratio to median remuneration
1.	Mr. Vinod Banwarilal Saraf, Chairman	30.79
2.	Ms. Vinati Saraf Mutreja, Managing Director & CEO	21.56
3.	Ms. Viral Saraf Mittal, Director – CSR	12.33

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

Sr. No.	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
1.	Mr. Vinod Banwarilal Saraf, Chairman	10%
2.	Ms. Vinati Saraf Mutreja, Managing Director & CEO	10%
3.	Ms. Viral Saraf Mittal, Director – CSR	10%
4.	Mr. Jayesh Ashar, Chief Operating Officer	12%
5.	Mr. N. K. Goyal, Chief Financial Officer	11%
7.	Mr. Milind Wagh, Company Secretary	10%

- The percentage increase in the median remuneration of employees in the financial year: 9.42%
- The number of permanent employees on the roll of Company: 865
- 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 FY20 (₹ in Lakhs)	496.34
Revenue (₹ in Lakhs)	102887.39
Remuneration of (KMP) as a percentage of revenue	0.48
Profit before tax (PBT) (₹ in Lakhs)	42467.26
Remuneration of (KMP) as % of PBT	1.17

- 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, 2020	March 31, 2019	% change
Market capitalization (₹ In Lakhs)	791421.79	845896.27	-6%
Price earnings ratio	23.70	29.94	-21%

- 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, 2020 (₹)	November 11, 1991 (IPO)*	% change
Market Price (BSE)	770	0.67	115689
Market Price (NSE)	775	0.67	116441

\* Adjusted for 1:2 bonus issue in 2007, splits of Face Value of shares from ₹10/- to ₹2/- and from ₹2/- to ₹1/- on 03.11. 2009 and February 6, 2020 respectively.

- 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	(₹ in Lakhs)	
		% of revenue 102887.39	% of net profit before tax 42467.26
Mr. Vinod Banwarilal Saraf, Chairman	152.26	0.15	0.36
Ms. Vinati Saraf Mutreja, Managing Director & CEO	114.94	0.11	0.27
Ms. Viral Saraf Mittal, Director – CSR	64.92	0.06	0.15
Mr. Jayesh Ashar, Chief Operating Officer	92.38	0.09	0.22
Mr. N. K. Goyal, Chief Financial Officer	71.84	0.07	0.17
Mr. Milind Wagh, Company Secretary	27.60	0.03	0.06

- 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 Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. **Annexure 'I'**. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, 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.

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

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com).

### 37) TRANSACTION WITH RELATED PARTIES:

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act, 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.

### 38) BOARD EVALUATION:

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

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

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

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

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

### 39) INDEPENDENT DIRECTORS' MEETING:

The Independent Directors of the Company met on 2<sup>nd</sup> March, 2020, 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 Chairman 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'**

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

The meetings of the Board of directors held during the period under review are as follows;

On 11.5.2019, 30.7.2019, 12.11.2019, 31.01.2020, 02.03.2020, 13.06.2020 and 01.08.2020. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

### 41) 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.

## 42) AUDIT COMMITTEE:

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

## 43) 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.

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

As required under Section 124 of the Act, 41900 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 2019 – 20 . Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

## 45) AUDITORS AND AUDIT REPORTS:

### (i) Statutory Auditors and their Report:

The Members at the 28<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> 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 28<sup>th</sup> Annual General Meeting until the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7<sup>th</sup> 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.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

### (ii) Cost Auditors and Cost Audit Report:

As per the requirements of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the

Company and the Audit of the said Cost Records is being carried out every year. The Board of Directors, based on the recommendation of the Audit Committee, the Cost Auditors certifying their Independence and arm's length relationship with your company, has appointed M/s. N. Ritesh & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2020 – 21, on such remuneration as mentioned in the Notice of the 31<sup>st</sup> Annual General Meeting. A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 31<sup>st</sup> Annual General Meeting and the same is recommended for your consideration and ratification.

In accordance with Companies (Cost Records and Audit) Rules, 2014, the due date for filing the Cost Audit Report in XBRL for the financial year ended 31.03.2019 was 28.02.2020 and the same was filed on 01.10.2019 vide SRN No.:H99029522 with the Ministry of Corporate Affairs, New Delhi.

### (iii) Secretarial Auditor and Secretarial Audit Report:

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 31<sup>st</sup> March, 2020. The Secretarial Audit Report issued in this regard is annexed as **Annexure - 'L'**. The Auditors' Report and the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 do not contain any qualification or reservation or adverse remark.

## 46) CORPORATE POLICIES AND PROCEDURES ON INTERNAL FINANCIAL CONTROLS:

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

## 47) BUSINESS RESPONSIBILITY REPORT:

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

## 48) STATUTORY DISCLOSURES:

There were no transactions/events with respect to the following items during the financial year under review and

accordingly no disclosure or reporting is required with respect to the same:

1. Deposit from the public falling within the ambit of Section 73 of the Act, and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries/ other Companies.
4. Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.
5. Buyback of shares.
6. Material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' report unless otherwise stated in the report. The details pertaining to the composition of various committees of the Board including the Audit Committee, Stakeholders Relationship Committee, Nomination

and Remuneration Committee, Risk Management Committee and Corporate Social Responsibility Committee and the details of establishment of Vigil Mechanism are included in the Corporate Governance Report, which is a part of this report.

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

#### **49) 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.

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#### **Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Tel No.: 022-61240444/428, Fax No.: 022-61240438  
Email : [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com)  
Website: [www.vinatiorganics.com](http://www.vinatiorganics.com)  
CIN: L24116MH1989PLC052224  
Mumbai, 1<sup>st</sup> August 2020

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

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



## Annexure 'A'

# Dividend Distribution Policy

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

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

## Title

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

## Definitions

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

## Background

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

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

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

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

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

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

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

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

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

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;

- Any changes in the competitive environment requiring significant investment.

**D. Utilization of Retained Earnings;**

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

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

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

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

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

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

**Review**

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

**Limitation and Amendment**

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

## Annexure 'B'

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

## a) CONSERVATION OF ENERGY

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

## 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, IB and other products have been fully absorbed. The technologies have been further upgraded over the years through in-house innovation and knowledge engineering to achieve better material and energy efficiencies.

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

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

## c) RESEARCH & DEVELOPMENT

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

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

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

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

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

At Mahad we recover pure NBB.

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

### (iii) Future plans of action

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

## d) FOREIGN CURRENCY EARNINGS AND OUTGO

The details of Foreign Exchange Earnings & Expenditure in Foreign Currency is given in Note No. 25 of Notes to Accounts in Annual Report.

# Annexure 'C'

## Corporate Governance Report

(Pursuant to SEBI (LODR) Regulations, 2015)

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

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

The Company is in compliance with the corporate governance norms stipulated under Regulation 17 to 27 and Regulation 46 (2) (b) to (i) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and the relevant provisions prescribed under the Companies Act, 2013 (the "Act") and the Rules made there under.

### 2. BOARD OF DIRECTORS

#### (a) Composition

The Company has a combination of executive and non-executive directors. The number of Independent Directors are four.

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/she is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

The Company's Board at present has 8 Directors comprising one Executive Chairman, one Managing Director & CEO, one Whole Time Director – CSR and five Non-Executive Directors including four Independent Directors.

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

Mr. Vinati Saraf Mutreja, Director (DIN: 00079184) who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. R. K. Saraswat ceased to be an Independent & Non – Executive Director of the Company pursuant to completion of his second term as Independent Director effective from March 31, 2020.

Further, considering the recommendation of Nomination and Remuneration Committee, Shri Jagdish Chandra Laddha (DIN: 00118527) has been appointed as Additional Director - Independent & Non-Executive Director of the Company by the Board of Directors in its meeting held on June 13, 2020 with effect from June 13, 2020 and his appointment as Independent & Non-Executive Director for the period of 5 years from June 13, 2020 is being recommended and proposed to the shareholders for their approval in the AGM to be held on 26th September, 2020.

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

The Board met five times on the following dates during the financial year 2019-2020 and the gap between two meetings did not exceed four months:

Date of the Meetings	Total Strength	No. of Directors' present
11 <sup>th</sup> May, 2019	8	7
30 <sup>th</sup> July, 2019	8	7
12 <sup>th</sup> November, 2019	8	8
31 <sup>st</sup> January, 2020	8	8
2 <sup>nd</sup> March, 2020	8	8



The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions as held by them in other public limited companies as on 31<sup>st</sup> March, 2020 are given below:

Name	Category	No. of Board Meetings Attended during 2019-20	Whether attended AGM held on 27 <sup>th</sup> July 2019	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
					Chairman	Member
Mr. Vinod Saraf (Executive Chairman)	Promoter, Non-Independent & Executive Chairman	5	Yes	1	-	-
Mr. R. K. Saraswat (Director - up to 31.03.2020)	Independent Non-Executive	4	Yes	3	3	2
Mr. Sunil Saraf Director	Promoter, Non-Independent Non-Executive	5	No	1	-	-
Ms. Vinati Saraf Mutreja Managing Director & CEO	Promoter, Non-Independent Executive	5	Yes	1	-	-
Ms. Viral Saraf Mittal Director – CSR	Promoter, Non-Independent Executive	4	Yes	1	-	-
Mrs. Mona Bhide Director	Independent Non-Executive	5	No	2	-	-
Mr. Adesh Kumar Gupta (w. e. f. May 11, 2019)	Independent Non-Executive	4	No	2	-	-
Prof M. Lakshmi Kantam (w. e. f. May 11, 2019)	Independent Non-Executive	4	No	1	-	-
Mr. Jagdish Chandra Laddha (w. e. f. June 13, 2020)	Additinaol Director - Independent Non-Executive	N.A.	N.A.	2	-	-

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

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

**(C) Familiarization programme for Independent Directors**

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

The above programme also includes the familiarization on statutory compliances as a Board member including their roles, rights and responsibilities. The Company also circulates news and articles related to the industry from time to time and provide specific regulatory updates. The Familiarization programme for Independent Directors in terms of Regulation 25(7) of the SEBI (LODR) Regulations 2015 is uploaded on the website of the Company: [www.vinatiorganics.com](http://www.vinatiorganics.com).

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

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

**(d) Code of Conduct:**

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

(e) Non-executive directors were paid only sitting fees during the FY 2019 - 20. The details are as under:

Sr. No.	Name of Directors – Non-executive	₹ in Lakhs
1.	Mr. R. K. Saraswat	3.25
2.	Mr. Sunil Saraf	1.50
3.	Mrs. Mona Bhide	2.75
4.	Mr. Adesh Kumar Gupta	2.25
5.	Prof M. Lakshmi Kantam	1.50

(f) Shareholdings of Directors as on 31.03.2020 are as under:

Sr. No.	Name of Directors	No. Equity Shares
1.	Mr. Vinod Banwarilal Saraf	13900582
2.	Ms. Vinati Saraf Mutreja	1210620
3.	Ms. Viral Saraf Mittal	1042366

**3. AUDIT COMMITTEE**
**a. Constitution**

The Audit Committee has been duly constituted in compliance with Section 177 of Companies Act, 2013 and the relevant Rules made there under read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b. Composition**

The Audit Committee comprised of following Directors of the Company:

- Mr. R. K. Saraswat Independent Director  
Chairman  
(upto March 31, 2020)
- Mr. Jagdish Chandra Laddha Independent Director  
(w. e. f. June 13, 2020)
- Mrs. Mona M. Bhide Independent Director -  
Member
- Mr. Adesh Kumar Independent Director –  
Gupta 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 in the financial year 2019-20.

Date of the Meeting	Total Strength	No. of Directors present
11 <sup>th</sup> May 2019	3	2
30 <sup>th</sup> July, 2019	3	3
12 <sup>th</sup> November, 2019	3	3
31 <sup>st</sup> January, 2020	3	3

The necessary quorum was present at the meetings.

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

**d. Terms of reference**

The Statutory Auditors, Internal Auditors of the Company and the Cost Auditors are regular invitees at the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the 'Limited Review' of the quarterly, half-yearly, nine monthly and, 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 of Audit Committee includes the indentures prescribed under Section 177 of the Companies Act, 2013 read with SEBI (LODR) Regulation, 2015.

**4. SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES**

The Company does not have any subsidiary, Associate or Joint Venture company(s).

**5. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee of the Board comprises of the following Directors:

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

Mr. Milind Wagh, being the Company Secretary of the Company acts as the Secretary to the Committee. The Committee met 12 times during the year 2019-2020 for approving transfers, transmissions etc. All transfers & transmissions etc. were approved and share certificates were dispatched within 21 days and requests for dematerialization were confirmed within 21 days.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE****a. Terms of Reference**

The terms and reference of the Committee is as defined under Section 178 of the Act and read with SEBI (LODR) Regulations, 2015.

**b. Composition**

The Stakeholders Relationship Committee of the Company has been duly constituted in compliance with the provisions of Section 178 of the Act and The SEBI (LODR) Regulations, 2015 and comprises of the following Directors:

- 1. Prof M. Lakshmi Kantam : Chairperson - Independent Non-Executive Director
- 2. Mr. Vinod Saraf : Member - Chairman of the Company
- 3. Ms. Vinati Saraf Mutreja : Member - Managing Director & CEO

**c. Meetings & Attendances**

The Stakeholders Relationship Committee met on the following date in the financial year 2019-20.

Date of the Meeting	Total Strength	No. of Directors present
20 <sup>th</sup> March 2020	3	2

Details of the investors Complaints received and redressed by the Company during the financial year 2019 - 2020 are as follows:

Opening Balance	Received During the year	Resolved during the Year	Closing Balance
0	13	12	1

Mr. Milind Wagh being the Company Secretary of the Company acts as the Secretary to the Committee and is the compliance officer of the Company under Regulation 6 of the SEBI (LODR) Regulations, 2015.

## 7. NOMINATION & REMUNERATION COMMITTEE

### a. Constitution

The Remuneration Committee has been duly constituted in compliance with the provisions of Section 178 of the Act and The SEBI (LODR) Regulations, 2015.

### b. Composition

The Committee comprised of the following Directors:

1. Prof M. Lakshmi Kantam : Independent Director – Chairperson
2. Mr. R. K. Saraswat : Independent Director – Member (upto March 31, 2020)
3. Mr. Sunil Saraf : Non-Independent Director – Member
4. Mr. Jagdish Chandra Laddha : Independent Director (w.e.f. June 13, 2020)

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

### c. Meetings & Attendances

The Nomination and remuneration Committee met on the following date in the financial year 2019-20.

Date of the Meeting	Total Strength	No. of Directors present
11 <sup>th</sup> May 2019	2	2
12 <sup>th</sup> November, 2019	3	2

### d. 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 31<sup>st</sup> March 2020

Managerial remuneration

Date of the Meeting	Salary & Allowances	Contribution to PF	Other Perquisites
Mr. Vinod Saraf Chairman	138.18	12.76	1.32

Date of the Meeting	Salary & Allowances	Contribution to PF	Other Perquisites
Ms. Vinati Saraf Mutreja Managing Director & CEO	96.73	8.93	9.28
Ms. Viral Saraf Mittal Director – CSR	54.61	5.04	5.27
<b>Total:</b>	<b>289.52</b>	<b>26.73</b>	<b>15.87</b>

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

## 8. RISK MANAGEMENT COMMITTEE

### a. Constitution

The Risk Management Committee has been duly constituted in compliance with the SEBI (LODR), 2015 read with the relevant provisions of the Act and the Rules made there under.

### b. Composition

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

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

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

### c. Meetings & Attendances

During the period under review 1 Meeting of Risk Management Committee was held on 2<sup>nd</sup> March, 2020



**d. Power of Risk Management Committee:**

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

**9. FINANCE COMMITTEE****a. Constitution**

The Finance Committee was originally constituted on 12<sup>th</sup> May 2012.

**b. Composition**

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

Mr. Vinod Saraf, Chairman

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Mr. Sunil Saraf, Director

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

**c. Meetings & Attendances**

No meeting held during the year.

**d. Power of Finance Committee:**

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

**10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:****a. Constitution**

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

**b. Composition**

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

Mr. Vinod Saraf, Chairman

Mr. R. K. Saraswat, Director (upto March 31, 2020)

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Ms. Viral Saraf Mittal, Director – CSR

Prof. M. Lakshmi Kantam (w.e.f. 13.06.2020)

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

**c. Meetings & Attendances**

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

Date of the Meeting	Total Strength	No. of Directors present
20 <sup>th</sup> March 2020	4	4

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

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

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

The Sexual Harassment Committee has been formed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**b. Composition**

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

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Ms. Viral Saraf Mittal, Director – CSR

Ms. Satyapriya Rao -Member

**c. Meetings & Attendances**

The Sexual Harassment Committee met on the following date during the financial year 2019-20.

Date of the Meeting	Total Strength	No. of Directors present
20 <sup>th</sup> March 2020	3	3

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

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

**12. INDEPENDENT DIRECTORS MEETING:**

Schedule IV to the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management.

The meeting of Independent Directors was held on 02.03.2020, in which all the Independent Directors were present.

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

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

Year	Location	Date	Day	Time	No. of Special business passed
28 <sup>th</sup> AGM - 2017	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.	29/07/2017	Saturday	12 Noon	2
29 <sup>th</sup> AGM - 2018	- do -	28/07/2018	Saturday	12 Noon	-
30 <sup>th</sup> AGM - 2019	- do -	27/07/2019	Saturday	12 Noon	3

**b) Extraordinary General Meeting:**

No extraordinary general meeting of the members was held during FY 2020.

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

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

Date of Meeting	Summary of Special Resolution
July 27, 2019	1. Appointment of Ms. Mona Bhide (DIN: 05203026) as a Non-Executive & Independent Director of the Company. 2. Appointment of Mr. Adesh Kumar Gupta (DIN: 00020403), as a Non-Executive & Independent Director of the Company. 3. Appointment of Prof M. Lakshmi Kantam (DIN: 07831607) as a Non-Executive & Independent Director of the Company.
July 28, 2018	No Special Resolution was passed
July 29, 2017	1. Amendment of the capital clause of memorandum of association: Adoption of new set of Articles of Association

**Postal Ballot:**

During the year under review, following resolutions were passed through the exercise of Postal Ballots.

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

Item No	Description of the Resolution	Date of approval	Kind of Resolution
1.	Sub-division of one Equity Share of face value of ₹2/- each into two Equity Shares of face value of ₹1/- each,	25.12.2019	Special Resolution
2.	Alteration of the Capital Clause of Memorandum of Association ("MOA") of the Company.	25.12.2019	Ordinary Resolution
3.	The alteration of the Articles of Association ("AOA") of the Company	25.12.2019	Special Resolution
4.	VOL Employee Stock Option Plan 2019.	25.12.2019	Special Resolution

- d) A certificate has been received from VKM and Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- e) M. M. Nissim & Co., Chartered Accountants (Firm Registration No. 107122W) have been appointed as the Statutory Auditors of the Company for the period of 5 years from FY 2017-18.

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

Particulars	Amount (₹ in Lakhs)
Services as statutory auditors (including quarterly audits)	8.00
Re-imbursement of out-of-pocket expenses	0
<b>Total</b>	<b>8.00</b>

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

No. of Complaints Received during the FY 2019-20 - NIL

No. of Complaints resolved during the FY 2019-20 - NA

**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 28 of Notes to Accounts in Annual report.

**b. Statutory Compliance, Penalties and strictures**

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

**c. Compliance with mandatory requirements**

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

- d. No personnel have been denied access to Audit Committee. The Board periodically reviews risk assessment and minimization of 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. Stakeholders Relationship Committee (As mentioned under the head of Stakeholders Relationship Committee).
- l. Role of committees (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, whereas the Company has a Nomination and Compensation Committee).

## 15. MEANS OF COMMUNICATION

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

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

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

## 16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The discussion on financial performance with respect to the operational performance, review of operations, exports and prospects have been covered in the Director's Report.

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

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

## 17. COMPLIANCE OFFICER

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

## 18. GENERAL SHAREHOLDER INFORMATION

<b>a. Annual General meeting Date, Time &amp; Venue</b>	Date: 26.09.2020, Time: 11 A.M. IST and Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. .			
<b>b. Financial Calendar</b>				
Annual General Meeting	26.09.2020			
Unaudited results for the quarter ending June 30, 20	Within 45/60 days from the end of reporting quarter			
Unaudited results for the quarter/half year ending Sept' 30, 20				
Unaudited results for the quarter ending Dec' 31, 20				
Audited results for the quarter ending Mar' 31, 21				
<b>Date of book Closure</b>	19.09.2020 to 26.09.2020			
<b>Interim Dividend payment date</b>	18th March, 2020			
<b>Final Dividend payment date</b>	30.09.2020			
<b>c. Listing on Stock exchange</b>	<p>The Company's Securities are listed on the following stock exchanges in India:</p> <p><b>Bombay Stock Exchange Ltd.</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001, Maharashtra.</p> <p><b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.</p>			
<b>d. Stock Code :</b>	<b>Bombay Stock Exchange Ltd.</b>	524200		
	<b>National Stock Exchange of India Ltd.</b>	VINATI ORGA		
	<b>Demat ISIN in NSDL and CDSL for Equity Shares</b>	INE410B01037		

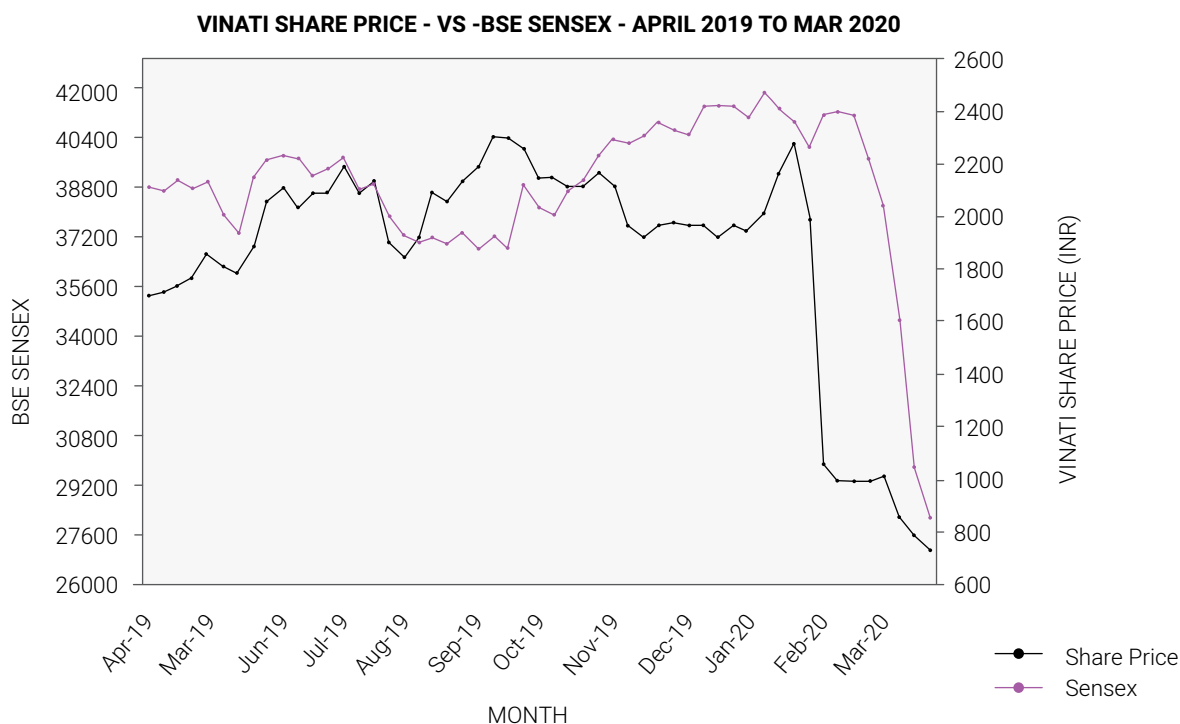
**e. Market Price Data:**

Month & Year	Bombay Stock Exchange Ltd. (in ₹)		National Stock Exchange of India Ltd. (in ₹)	
	High	Low	High	Low
Apr – 2019	1814	1660	1817	1660
May – 2019	2199	1715	2197	1706
Jun – 2019	2216	1980	2218	1989
Jul – 2019	2277	1778	2280	1767
Aug – 2019	2214	1781	2216	1776
Sep – 2019	2511	2096	2393	2098
Oct – 2019	2230	2070	2232	2081
Nov – 2019	2227	1851	2228	1862
Dec – 2019	2023	1884	2025	1886
Jan – 2020	2340	1914	2340	1910
Feb – 2020	2212	891*	2177	893*
Mar – 2020	1039*	651*	1040*	651*

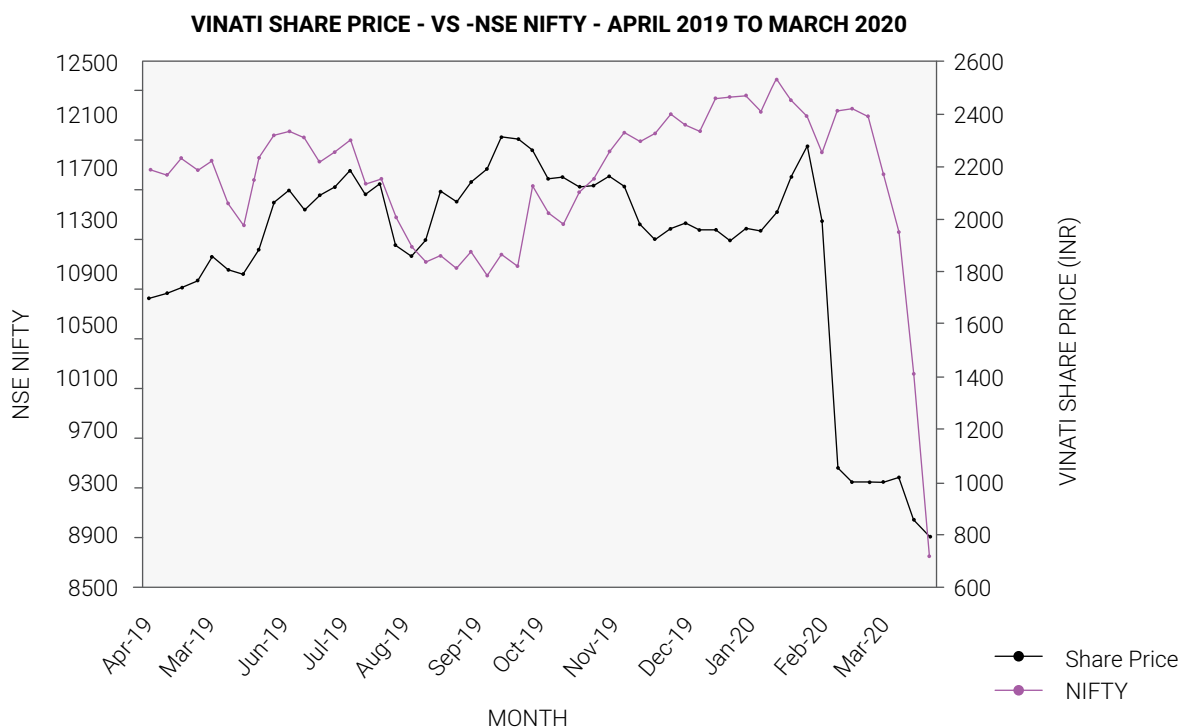
\*Sub-division of face value of one equity share of ₹2/- each to two equity shares of ₹1/- each w. e. f. 6<sup>th</sup> February 2020.



f. The performance of the Company's shares relating to the BSE Index for the year 2019-2020 is given below:



g. The performance of the Company's shares relating to the NSE Index for the year 2019-2020 is given below:



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

Add.: C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083. Maharashtra	Tel Fax E-mail Website Business Hours	28515606/28515644/28516338 28512885 support@sharexindia.com www.sharexindia.com 11.00 a.m. to 1.00 p.m. & 2.00 p.m. to 4.00 p.m. (Monday to Friday)
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**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 transfers in physical form. The transfers are normally processed and share certificates are dispatched within 30 days from the date of receipt if the documents are complete in all respects. Requests for dematerialization are confirmed within 15 days.

**j. Distribution of Shareholding as on 31<sup>st</sup> March 2020.**

Category No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1 To 100	29088	73.15	785936	0.77
101 To 200	3348	8.42	533453	0.52
201 To 500	2545	6.40	858322	0.83
501 To 1000	1399	3.52	1080635	1.05
1001 To 5000	2997	7.55	5526761	5.38
5001 To 10000	217	0.54	1557008	1.51
10001 To 100000	134	0.34	3557464	3.46
100001 and above	35	0.08	88882471	86.48
<b>Total</b>	<b>39763</b>	<b>100.00</b>	<b>102782050</b>	<b>100.00</b>

**k. Category of shareholders as on 31<sup>st</sup> March 2020.**

Category	No. of share holders	Voting strength (%)	No. of ordinary shares
Individuals	37184	12.013	12347391
Promoters	5	74.048	76108277
Other Companies	340	0.634	651571
Non-Resident Individuals	1303	0.395	405606
Nationalized Banks, Mutual funds and trusts	18	5.371	5520543
FII	79	5.128	5271081
Clearing Members	131	0.222	228524
HUF	691	0.329	337729
IEPF MCA Account	1	1.144	1175362
Insurance Companies	1	0.505	518960
NBFCs Registered with RBI	6	0.021	21358
Alternate Investment Fund	4	0.190	195648
<b>Total</b>	<b>39763</b>	<b>100.000</b>	<b>102782050</b>

**I. Dematerialization of shares and liquidity**

10,12,64,040 (Total shares demated with NSDL is 6,65,80,574 & CDSL is 3,46,83,466) of the Company's share capital is dematerialized as on 31.03.2020. 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. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:**

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

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

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

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

The details of unclaimed dividends and shares transferred to IEPF during FY 2020 are as follows:

Financial Year	Amount of Unclaimed Dividend transferred ₹ lakhs	Number of Shares Transferred
2012	20.73	41900

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

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

Financial Year	Date of Declaration	Last date of Claiming unpaid dividend
2012-13	07-08-2013	06-09-2020
2013-14	13-08-2014	12-09-2021
2014-15	12-08-2015	11-09-2022
2015-16(Interim)	28-03-2016	27-04-2023
2015-16(Final)	10-08-2016	09-09-2023
2016- 17	02-08-2017	01-09-2024
2017-18	01-08-2019	31-08-2025
2018-19	31-07-2019	30-08-2026
2019-20	18-03-2020	17-04-2027

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

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

**(b) Address of Plant Locations:**

Mahad Works:  
B/12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad, Maharashtra.  
Lote Works:  
A-20, MIDC, Lote – Parashuram – 415 722,  
Taluka – Khed, Dist. Ratnagiri, Maharashtra.

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

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

**(o) Reappointment / Appointment of Directors**

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

**OTHER DISCLOSURES:**

- i) Disclosure on materially significant related party transaction that may have potential conflict with the interest of the Company at large: None of the transactions with any of the related parties were in conflict with the interest of the Company.
- ii) Details of non-compliance by the Company, penalties and strictures imposed by stock exchanges/SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- iii) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee: In accordance with the requirements of the Act, read with SEBI (LODR) Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:
  - a. To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy and

b. To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimization, who notice and report any unethical or improper practices.

c. To appropriately communicate the existence of such mechanism, within the organization and to outsiders. Whistle Blower Policy is available on Company's website ([www.vinatiorganics.com](http://www.vinatiorganics.com)).

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

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

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

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

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

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

- (a) Auditor's Report does not contain any qualifications.
- (b) The Company has appointed separate persons to the posts of Chairman and Managing Director
- (c) The Internal Auditors report directly to the Audit Committee
- vi) The policy for determining 'material' subsidiaries is available on Company's website ([www.vinatiorganics.com](http://www.vinatiorganics.com)).
- vii) The policy on dealing with related party transactions is available on Company's website ([www.vinatiorganics.com](http://www.vinatiorganics.com)).
- viii) The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15<sup>th</sup> November, 2019 is not applicable.

- ix) There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations.
- x) A certificate from M/s. VKM & Associates, Company Secretaries, as to the Directors of the Company not being debarred or disqualified is enclosed herewith.
- xi) In terms of the amendments made to the SEBI (LODR) Regulations, the Board of Directors confirm that during the year, it has accepted all the recommendations received from its mandatory committees.

**(p) MD & CEO /CFO CERTIFICATION:**

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

**(q) RISK MANAGEMENT:**

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

**(r) Disclosure of accounting treatment different from accounting standards: None**

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

Pursuant to Regulation 17 of the SEBI (LODR) Regulations, the Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – [www.vinatiorganics.com](http://www.vinatiorganics.com). A certificate from the Managing Director, affirming

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

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

**(t) SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Mr. Vijay Kumar Mishra, Practicing Company Secretary, holding Membership No. 5023 and C.P. No. 4279 was appointed as the Secretarial Auditor of the Company to carry out the secretarial audit for the financial year ended 31.03.2020.

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

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

**(u) COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING**

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



# Practicing Company Secretaries' Certificate On Corporate Governance

**{This Certificate is being issued in pursuance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2019.}**

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

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

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

Sr. No.	Name of the Director	DIN	Type of the Director	Status of the Director
1	Radhakrishna Kunjlal Saraswat *	00015095	Independent Director	Active
2	Vinod Banwarilal Saraf	00076708	Executive Director	Active
3	Sunil Banwarilal Saraf	00076887	Non-Executive Director	Active
4	Vinati Saraf Mutreja	00079184	Managing Director (Executive Director)	Active
5	Viral Saraf Mittal	02666028	Executive Director	Active
6	Mona Mukund Bhide	05203026	Additional Director (Independent Director)	Active
7	Adesh Kumar Gupta	00020403	Independent Director	Active
8	Lakshmi Kantam	07831607	Independent Director	Active
9	Jagdish Chandra Laddha**	00118527	Additional Director (Independent Director)	Active

\* Mr. Radhakrishna Kunjlal Saraswat is ceased as director w.e.f. April 1, 2020 on the completion of his second term as Independent Director.

\*\* Mr. Laddha has been appointed as Additional Director – Non Executive and Independent Director w.e.f. June 13, 2020

This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2019.

For **VKM & ASSOCIATES**

Company Secretaries

**(Vijay Kumar Mishra)**

Partner

Place: Mumbai

Date: 1<sup>st</sup> August, 2020

M. No. F-5023

COP No.4279

## CEO / CFO Certificate

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 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  
1<sup>st</sup> August, 2020

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

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

I, Vinati Saraf Mutreja, Managing Director & CEO of Vinati Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2020.

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, Sr. Vice Presidents and the Company Secretary as on 31<sup>st</sup> March 2020.

On behalf of the Board of Directors

Mumbai  
1<sup>st</sup> August, 2020

**Vinati Saraf Mutreja**  
**Managing Director & CEO**

## Annexure 'D'

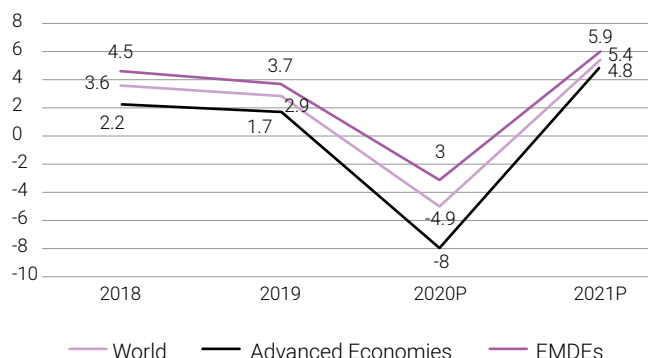
# Management Discussions and Analysis (MD&A)

## Global Economy Overview

In CY 2019, the GDP for the global economy stood at 2.9%, registering a decline in comparison to the previous year. Rising trade barriers and associated uncertainty weighed heavily on business sentiment and activity, globally, leading to a gradual slowdown. In some advanced economies and China, these developments magnified cyclical and structural slowdowns further.

The global economy is projected to contract by 4.9% in CY 2020, owing to the recent outbreak of Covid-19. The pandemic is impacting emerging markets with an unprecedented mix of domestic and external shocks, whose combined effects are very difficult to predict.<sup>1</sup> The U.S. economy is projected to shrink to 8% and Europe by 10.2% in 2020. However, governments and central banks across economies have reacted aggressively to the weaker activity and have averted a deeper slowdown by lowering interest rates and implementing supportive financial conditions. With these measures in place, the global economy is expected to revive and grow by 5.4% in CY 2021.

**Global Economic growth (in %)**



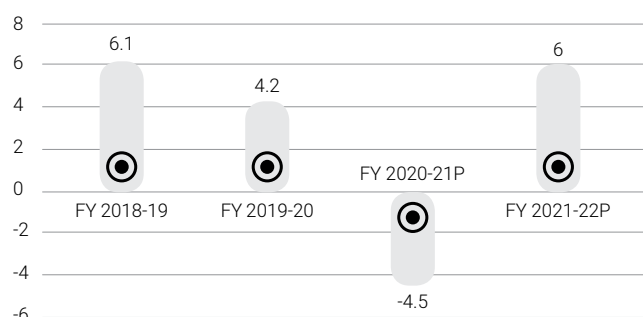
**India obtained 63rd rank in the World Bank's "Doing Business" report in CY 2019.**

## Indian Economy Overview

India has ranked among the top 10 economies of the world in the past few years and presently, occupies the 5<sup>th</sup> position in terms of GDP, globally, in CY 2019. The country has been facing multiple headwinds due to global factors and challenges in the domestic financial sector. Its GDP declined to an 11-year low of 4.2% in 2019-20 and despite multiple challenges, India obtained the 63<sup>rd</sup> rank in the World Bank's "Doing Business" report in CY 2019, rising from its 142<sup>nd</sup> rank in CY 2014. It was mainly on account of the government's continuous efforts to boost 'Make in India' initiatives and favourable policy reforms to attract foreign investment.

The world economy at the moment is reeling under the pressures of the Covid-19 pandemic. India too has been severely affected by the nationwide lockdown imposed to control the virus outbreak. India's GDP for FY 2020-21 is projected to contract to 4.5%. The country's growth rate is expected to bounce back and register a growth of 6% in FY 2021-22, indicating prospects for an economic recovery. Once the effects of the pandemic wanes, the Indian economy is anticipated to return to its growth trajectory relying on significant policy reforms.

**Indian Economy GDP (in %)**



## Global Chemicals Industry

The chemical industry has been an integral part of the global economic landscape for many centuries. The industry has evolved to become a bastion of productivity that permeates

<sup>1</sup>IMF WEO June 2020

through nearly every goods-producing sector. Today, the chemical industry plays a crucial role in regional economies in every corner of the world and in most sectors of those economies.

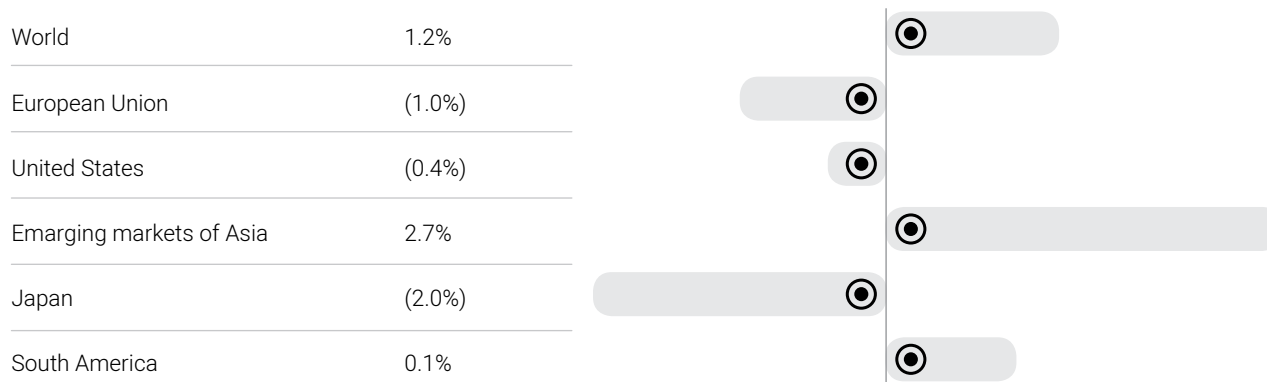
According to the International Council of Chemical Associations, the chemical industry contributes an estimated \$5.7 trillion<sup>2</sup> to world Gross Domestic Product (GDP) through direct, indirect and induced impacts, equivalent to ~7% of the world's GDP, and supporting 120 million jobs worldwide. The industry experienced a slowdown in CY 2019, primarily due to escalating global trade tensions and a weakening economy impacting the chemical demand. The trade war led to a fluctuation in price across the global chemical market. Additionally, the industry was also affected by the weakening automotive markets and the uncertainty caused by Brexit.

Despite worsening economic conditions and political tensions, sustainability has been a priority for the chemicals industry in CY 2019. The demand for eco-friendly and sustainable chemical continued to increase with companies across sectors adopting measures to reduce their environmental footprint and ensuring supply and manufacturing of eco-friendly products.

Global chemical production (excluding pharmaceuticals) is expected to grow by 1.2% in CY 2020, much slower than in CY 2019. The outbreak of Covid-19 led to production stoppage and slowed consumer demand significantly, resulting in a negative impact on the industry. However, as the effect of the pandemic fades and businesses resume, pickup in consumer confidence and demand is expected to improve sentiments in the near future.

### Outlook for chemical production 2020 (excluding pharmaceuticals)

Real change compared with previous year



[Source: <https://report.basf.com/2019/en/managements-report/forecast/economic-environment/chemical-industry.html>]

### Indian Chemicals Industry

The Indian chemical industry is an integral component of the Indian economy, contributing ~2% to the nation's gross domestic product (GDP) and ~16% to the manufacturing sector. Whether it is thermoplastic furniture, synthetic garments or the vehicle we use – the chemical industry touches lives in every possible way and varied sectors are inextricably linked to it. The industry plays a significant role in boosting the agricultural and industrial segment. The chemical industry is broadly classified into Specialty chemicals, Agrochemicals, Petrochemicals, Bulk chemicals, Polymers and Fertilizers. The sector has been witnessing tailwinds with India emerging as an alternative supplier to China, for key raw materials and components. Indian manufacturers have been capitalizing on these opportunities and have set up additional capacities to cater to rising demand. The upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art

infrastructure for Chemicals and Petrochemicals sector in India. The chemical industry in India is positioned to capitalize on near-term opportunities.

#### Highlights

- 🔗 The Indian chemicals industry is projected to reach \$304 billion by CY 2025
- 🔗 The chemical industry grew at a CAGR of 17% between 2016 and 2019, despite challenges<sup>3</sup>
- 🔗 India ranks 14<sup>th</sup> in export and 8<sup>th</sup> in import of chemicals globally (excluding pharmaceuticals products)
- 🔗 Demand for chemical products is expected to grow by approximately 9% p.a. by CY 2025
- 🔗 The segment provides employment to over 2 million people<sup>4</sup>

<sup>2</sup>International Council of Chemical Associations (ICCA)

<sup>3</sup><https://www.mckinsey.com/industries/chemicals/our-insights/indias-chemical-industry-unleashing-the-next-wave-of-growth>

<sup>4</sup><https://www.investindia.gov.in/sector/chemicals>

### Opportunities for Indian Chemical Industry

- ☞ The focus on petrochemicals in India might increase due to the interest of global oil and gas majors on downstream chemical opportunities. This would also lead to higher investment in the sector, which could ease feedstock challenges and boost self-sufficiency.
- ☞ China's chemical industry is facing challenges due to stricter environmental norms, leading to structural changes in the industry. These shifts would cause uncertainty for international players that source chemicals from China and could create opportunities for the Indian chemical industry.
- ☞ There have been shifts in global supply chains due to trade conflicts around the world, especially among China, the United States and Western Europe. This has affected bilateral trade between China and the U.S., with possible repercussions for other economies. In this scenario, large chemical markets that remain accessible, could present opportunities for the chemical industry in India.

Many companies, worldwide, are embracing digital technology and enhancing their production techniques. Digital technology has established itself as a lever to enhance efficiency and productivity. Indian companies could also tap into this opportunity to expand their profit margins.<sup>5</sup>

### Specialty Chemical Industry overview

Specialty chemicals are used as ingredients in finished products and to improve manufacturing processes. They are also called Performance Chemicals due to their vital role in enhancing the quality of various products. It has a unique positioning in the chemical industry as they are manufactured and sold based on their performance or function, unlike commodity chemicals which are strictly based on their chemical composition.

#### Indian Specialty Chemicals Industry

Specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. Due to rise in demand from various end-user industries, the specialty chemicals market in India has been flourishing over the past few years. The closure of plants in the European Union and China, owing to increasing environmental concerns, has opened doors for Indian manufacturers to invest further in specialty chemicals.

The specialty chemicals market in India is expected to reach ₹ 4,527.36 Bn by FY 2024, expanding at a CAGR of 11.9% between FY 2019-24. Among the major segments of the Indian specialty chemicals market, the water treatment chemical segment is expected to experience the fastest year-on-year growth of 14.63% during the FY 2016-24 period.



### Business Overview

Vinati Organics Limited (VOL) is a specialty chemical company, manufacturing specialty chemicals and organic intermediaries. With two state-of-the-art manufacturing units in Maharashtra, VOL is a leading producer of two major products - Isobutyl

Benzene (IBB) and 2-Acrylamido 2 Methylpropane Sulfonic Acid (ATBS). The Company's zeal to combine innovation with chemistry enables it to deliver superior quality products to its diverse client base. Vinati Organics has successfully established a strong foothold across the globe, with its products reaching out to customers in more than 35 countries.

<sup>5</sup><https://www.mckinsey.com/industries/chemicals/our-insights/indias-chemical-industry-unleashing-the-next-wave-of-growth>

<sup>6</sup>[https://www.researchandmarkets.com/reports/4988979/specialty-chemicals-market-in-india-2019?utm\\_source=dynamic&utm\\_medium=BW&utm\\_code=p7kpxr&utm\\_campaign=1354250+-+India+Specialty+Chemicals+Market+Expected+to+Generate+a+Value+of+INR+4%2c+527.36+Billion+by+2024&utm\\_exec=anwr281bwd](https://www.researchandmarkets.com/reports/4988979/specialty-chemicals-market-in-india-2019?utm_source=dynamic&utm_medium=BW&utm_code=p7kpxr&utm_campaign=1354250+-+India+Specialty+Chemicals+Market+Expected+to+Generate+a+Value+of+INR+4%2c+527.36+Billion+by+2024&utm_exec=anwr281bwd)



## Core Strengths

- 🔗 **Research** – insight into complex chemistry and focus on research & development has allowed the company to improve productivity and efficiency of operations.
- 🔗 **Market Leadership** – the company is a market leader in the industry segments it operates in and enjoys global leadership in IBB and ATBS and domestic leadership in IB and HPMTBE.
- 🔗 **Product Portfolio** – the product portfolio consists of niche products assuring integration and synergy in operating facilities.
- 🔗 **Strong Collaborations** – the company has well-founded technical partnerships with renowned global and national players.
- 🔗 **Synergic Integration** – the company lays great emphasis on synergic integration which has augmented its quest for global leadership and helps to retain its competitive advantage.

## Human Resources

The greatest asset to any business is its human resources; hence, the Company puts great emphasis on the development of its employees. To build a talent pool, it becomes necessary for the human resource function to partner with various business segments, so as to create a work ecosystem that shall have on board the right talent and therefore, nurture them to deliver superior performances. The employees at VOL are driven by purpose and are fully empowered to excel in an evolving and dynamic business environment. It has been the continuous endeavour of the Company's Human Resources function to attract the right talent, develop the right capabilities and skills, and continuously encourage them by providing the right culture and work environment to inspire them to deliver their best for achieving the Company's goals. Keeping in mind the importance of a capable and hardworking workforce, the Company believes in identifying and training high potential employees to prepare leaders of tomorrow.

## Risk Management

Given the nature of the Company's business and changing market dynamics, it is exposed to various risks during its daily course of operations. Some of the key risks and mitigation strategies adopted by the company is illustrated below:

1. **Economic Uncertainty:** Rising trade tension, decreasing consumer confidence and political tension significantly affected the growth prospects of the Indian and global economy. The recent outbreak of COVID-19 has further dampened the growth potential, plunging major economies into recession. This might have an adverse impact on the Company's operations.

**Mitigation:** The Company constantly monitors changes in the macroeconomic environment and assesses its potential impact on the company's operations. It enables the Company to quickly respond to changing market trends and safeguard its operations against uncertainty. Further, the COVID-19 outbreak has led to a temporary slowdown and the Company is proactively dealing with the situation, following safety protocols in all its manufacturing facilities to ensure smooth operations even during the countrywide lockdown. It also relies on a robust business continuity plan to enable long-term business sustainability.

2. **Competition:** The Company faces competition from domestic as well as international players. The Company's inability to deliver new and innovative solutions and keep up with dynamic changes in the market may lead to loss of revenues. Further, competition may also result in pricing pressure leading to an impact on its margins and profitability.

**Mitigation:** Over the years, Vinati has established a firm foothold in key markets and has built a strong and healthy relationship with customers. It also significantly invests towards research and development of new, improved and innovative products, aligned to changing customer needs. This has enabled the Company to further strengthen its brand reputation, giving it a competitive edge over its peers.

3. **Quality:** The Company's inability to abide by stringent standards of quality might adversely impact operations, leading to monetary and intangible losses.

**Mitigation:** Vinati has established a dedicated quality assurance department comprising of experienced and qualified executives to ensure adherence to strict quality standards. The Company's products undergo stringent quality checks and it is a ISO 9001: 2008, ISO 14001: 2004 and ISO 18001:2007 certified Company, validating its position as a reliable business entity. Further, its customers can also carry out EHS audits at the Company's premises.

**4. Environment:** With an alarming rate of climate change and unprecedented levels of pollution, it is vital for organizations to reduce the impact of their operations on the environment. Given the nature of the company's business, it is pivotal for the Company to introduce eco-friendly products that have a minimal impact on the ecosystem.

**Mitigation:** The Company's R&D team constantly works towards the development of eco-friendly products for its customers across the globe. Further, it also invests in technologies to deliver unique solutions with an endeavor to promote 'green chemistry'. The Company's plants are ISO 14001 certified for its strict adherence to Environmental Management System standards.

**5. Retention and acquisition of skilled employees:** To ensure smooth operations and long-term sustainability, it is vital to have a dedicated and committed team in place. Unable to retain or acquire competent and experienced employees may hamper the Company's ability to pursue its growth strategies effectively.

**Mitigation:** The Company's HR team constantly strives to hire talented employees and aims to retain existing people with attractive opportunities for professional growth. It also organizes various training and development initiatives to upskill employees and prepares them for challenging circumstances.

## Financial Review

During the year, the Total Income reduced by 7%, and the EBITDA increased marginally by 1% but the PAT grew by 18% mainly on account of the changes in corporate tax.

Particulars	₹ in Lakhs)		
	2019-20	2018-19	YoY Change (in %)
Total Income	1,07,386	1,15,809	-7%
EBITDA	45,893	45,357	1%
PAT	33,382	28,249	18%
Net Worth	1,27,941	1,05,128	22%

## Key Ratios

Particulars	2019-20	2018-19
Total Debt Equity Ratio (X)	0.00	0.00
Current Ratio (X)	7.22	5.98
Interest Coverage Ratio (X)	439.30	512.73
Receivables Turnover Ratio (X)	4.62	5.36
Inventory Turnover Ratio (X)	5.86	7.86
Operating Profit Margin (%)	40%	37%
Net Profit Margin (%)	31%	24%
Net Worth (₹ Lakhs)	1,27,941	1,05,128

## Outlook

The Company's products find application across various sectors such as pharmaceutical, water treatment, oil and gas, agrochemicals and personal care. For FY21, there is some pressure on the oil related application but demand for pharma, water treatment and others is expected to continue growing. The introduction of Butyl Phenols which are used in fragrance and anti-oxidants will also contribute meaningfully to the overall sales and help the Company to tide through the global slowdown caused by the Covid-19 pandemic.

## Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

## Annexure 'E'

# Independent Auditors' Certificate on Corporate Governance

### To the Members of Vinati Organics Limited

1. We, **M. M. Nissim & Co.**, Chartered Accountants, the Statutory Auditors of **VINATI ORGANICS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, 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), as amended from time to time.
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.

### 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.

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

### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2020.
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. 036490  
Partner

UDIN: 20036490AAAADD3226

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

Dated: 01.08.2020

## Annexure 'F'

Statement of particulars of employees pursuant to Section 134 of the Companies Act, 2013 and forming part of the Directors' Report for the year ending March 31, 2020 employed for whole of the year.

Sr. No.	Name	Designation & nature of duties (as at March 31, 2020)	Qualification	Age (Yrs.)	Date of Joining	Total Experience	Gross Remuneration received (₹ in Lakhs)	Previous employer	Designation
1	Mr. Vinod Banwarilal Saraf	Chairman	Master of Business Administration from BITS, Pilani	70	15.06.1989	50	152.26	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2	Ms. Vinati Saraf Mutreja	Managing Director & CEO	Bachelors in Science in Economics & Engineering from University of Pennsylvania	36	20.05.2006	15	114.94	Mercer Oliver Wyman	Consultant

## Annexure 'G'

## Statement for amount spent on CSR activities during FY 2019-20

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was under-taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Kavita Vinod Saraf Foundation	Health & Education	Mumbai, Maharashtra	201.00	201.00	201.00	Direct
2	The Society for Rehab CRIPPL Child	Organize hospital and clinics for the diagnosis, care & treatment	Mumbai, Maharashtra	30.00	30.00	30.00	
3	CARE Biomedical	Medical & Health	Mumbai, Maharashtra	20.29	20.29	20.29	
4	Wildlife Conservation Trust	Conservation by focusing on wild life protection & community development	Mumbai, Maharashtra	19.50	19.50	19.50	
5	Kai Kakasaheb Chitale Smruti Kendra	Medical, Health & Education	Mahad, Raigad Dist, Maharashtra	18.70	18.70	18.70	
6	Impact Foundation India	Social upliftment	Mumbai, Maharashtra	16.67	16.67	16.67	
7	Atma Education ATMA Accelerator for capacity building and consulting for educational NGOs	Strategic solutions to help education NGOs Scale	Mumbai, Maharashtra	12.00	12.00	12.00	
8	Indian Institute of Chemical Technology-ICT	Scientific & Industrial Research	Hyderabad, Telangana	11.81	11.81	11.81	
9	Mother & Child Health Organization (FMCH) foundation	Innovative community-based nutrition specific intervention.	Mumbai, Maharashtra	10.00	10.00	10.00	
10	CSIR-Central Electrochemical Research Institute	Scientific and Industrial Research	Karaikudi, Tamil Nadu	9.44	9.44	9.44	
11	District Welfare Fund	Medical, Health & Education	MIDC, Mahad, Raigad & MIDC, Lote Parshuram, Ratnagiri, Maharashtra	8.00	8.00	8.00	
12	Water charges social fund, School bus for students, women's hygiene, Construction of building lab, construction of library, Training, Laptop, Construction of shed, Water pipelines, Plantation of tress and other welfare schemes	Environment Preservation	MIDC, Mahad, Raigad & MIDC, Lote Parshuram, Ratnagiri, Maharashtra	4.45	4.45	4.45	
13	Shubham Foundation	Medical & Health	Mumbai, Maharashtra	2.60	2.60	2.60	
14	SVP Philanthropy Foundation	Guarantee and Private offering Community, personal & Social Services	Bangalore, Karnataka	2.50	2.50	2.50	
			<b>Total</b>	<b>366.96</b>	<b>366.96</b>	<b>366.96</b>	



## Annexure 'H'

## Extract of Annual Return

As on financial year ended 31-03-2020

[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:

<b>CIN:-</b>	L24116MH1989PLC052224
<b>Registration Date:</b>	15.06.1989
<b>Name of the Company:</b>	<b>Vinati Organics Ltd.</b>
<b>Category / Sub-Category of the Company</b>	Company limited by shares - Non-government company
<b>Address of the Registered office and contact details:</b>	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
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Sharex Dynamic (India) Pvt. Ltd., C – 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083. Tel. No.: 022-28515606/5644, Email: support@sharexindia.com

## B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

## D. SHARE HOLDING PATTERN

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). Individual	14284012	0	14284012	27.795	28568024	0	28568024	27.795	0
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp.	23750204	0	23750204	46.215	47540253	0	47540253	46.253	0.038
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>38034216</b>	<b>0</b>	<b>38034216</b>	<b>74.01</b>	<b>76108277</b>	<b>0</b>	<b>76108277</b>	<b>74.048</b>	<b>0.038</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0
(d). Banks / FII		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>38034216</b>	<b>0</b>	<b>38034216</b>	<b>74.010</b>	<b>76108277</b>	<b>0</b>	<b>76108277</b>	<b>74.048</b>	<b>0.038</b>
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	3356366	0	3356366	6.531	5715916	0	5715916	5.561	-0.970
(b). Banks / FI	4447	0	4447	0.009		0			-0.009
(c). Central Govt.	590131	0	590131	1.148	1175362	0	1175362	1.144	-0.004
(d). State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0			518960	0	518960	0.505	0.505
(g). FIIs	1937260	0	1937260	3.770	5271081	0	5271081	5.128	1.358

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
<b>Sub-total (B)(1):-</b>	<b>5888204</b>	<b>0</b>	<b>5888204</b>	<b>11.458</b>	<b>12681319</b>	<b>0</b>	<b>12681319</b>	<b>12.338</b>	<b>0.88</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	562812	9000	571812	1.113	654929	18000	672929	0.655	-0.458
(ii). Overseas		0				0			0.000
<b>(b). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	4965889	951255	5917144	11.514	9527021	1500010	11027031	10.729	-0.785
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	579066	0	579066	1.127	1659589	0	1659589	1.615	0.488
<b>(c). Other (specify)</b>									
Non Resident Indians	214800	3500	218300	0.425	404106	0	404106	0.393	-0.032
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	17263	0	17263	0.034	228524	0	228524	0.222	0.188
Trusts	165020	0	165020	0.321	275	0	275	0	-0.321
Foreign Boodies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>6504850</b>	<b>963755</b>	<b>7468605</b>	<b>14.534</b>	<b>12474444</b>	<b>1518010</b>	<b>13992454</b>	<b>13.614</b>	<b>-0.92</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>12393054</b>	<b>963755</b>	<b>13356809</b>	<b>25.992</b>	<b>25155763</b>	<b>1518010</b>	<b>26673773</b>	<b>25.952</b>	<b>-0.04</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>50427270</b>	<b>963755</b>	<b>51391025</b>	<b>100.00</b>	<b>101264040</b>	<b>1518010</b>	<b>102782050</b>	<b>100.00</b>	<b>0</b>

**Shareholding of promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			% changes in share holding during the year
		No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	SUCHIR CHEMICALS PRIVATE LIMITED	23750204	46.215	0	47540253	46.253	0	0.038
2	VINOD SARAF	6950291	13.524	0	13900582	13.524	0	0
3	KAVITA SARAF	6207228	12.078	0	12414456	12.078	0	0
4	VINATI SARAF MUTREJA	605310	1.178	0	1210620	1.178	0	0
5	VIRAL SARAF MITTAL	521183	1.014	0	1042366	1.014	0	0

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

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No.of shares	
1	SUCHIR CHEMICALS PRIVATE LIMITED	23750204	46.215	01-04-2019				
				07-02-2020	23750204	Sub-Div	47500408	46.215
				20-03-2020	22399	Buy	47522807	46.236
				27-03-2020	17446	Buy	47540253	46.253
	-Closing Balance			31-03-2020			47540253	46.253
2	VINOD SARAF	6950291	13.524	01-04-2019				
				07-02-2020	6950291	Sub-Div	13900582	13.524
	-Closing Balance			31-03-2020			13900582	13.524
3	KAVITA SARAF	6207228	12.078	01-04-2019				
				07-02-2020	6207228	Sub-Div	12414456	12.078
	-Closing Balance			31-03-2020			12414456	12.078
4	VINATI SARAF MUTREJA	605310	1.178	01-04-2019				
				07-02-2020	605310	Sub-Div	1210620	1.178
	-Closing Balance			31-03-2020			1210620	1.178
5	VIRAL SARAF MITTAL	521183	1.014	01-04-2019				
				07-02-2020	521183	Sub-Div	1042366	1.014
	-Closing Balance			31-03-2020			1042366	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 the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No. of shares	% of total Shares of the company
1	MIRAE ASSET EMERGING BLUECHIP FUND	993300	1.933	01-04-2019				
				05-04-2019	-29361	Sold	963939	1.876
				26-04-2019	-9648	Sold	954291	1.857
				03-05-2019	-627	Sold	953664	1.856
				17-05-2019	-2863	Sold	950801	1.85
				07-06-2019	-78956	Sold	871845	1.696
				26-07-2019	15167	Buy	887012	1.726
				02-08-2019	16609	Buy	903621	1.758
				06-09-2019	-2563	Sold	901058	1.753
				13-09-2019	-4788	Sold	896270	1.744
				20-09-2019	-3176	Sold	893094	1.738
				27-09-2019	-44250	Sold	848844	1.652
				30-09-2019	-17267	Sold	831577	1.618
				11-10-2019	-6250	Sold	825327	1.606
				25-10-2019	-5338	Sold	819989	1.596
				01-11-2019	-35388	Sold	784601	1.527
				15-11-2019	-11292	Sold	773309	1.505
				29-11-2019	-2752	Sold	770557	1.499
				06-12-2019	-68180	Sold	702377	1.367
				13-12-2019	-20000	Sold	682377	1.328
				03-01-2020	-65922	Sold	616455	1.2
				17-01-2020	-6112	Sold	610343	1.188
				24-01-2020	-69389	Sold	540954	1.053
				06-02-2020	6070	Buy	547024	1.064
				07-02-2020	547024	Sub-Div	1094048	1.064
				06-03-2020	38407	Buy	1132455	1.102
				13-03-2020	53686	Buy	1186141	1.154
				20-03-2020	77210	Buy	1263351	1.229
				27-03-2020	49427	Buy	1312778	1.277
	-Closing Balance			31-03-2020	5916	Buy	1318694	1.283
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	581906	1.132	01-04-2019				
				17-05-2019	-1500	Sold	580406	1.129
				21-06-2019	-750	Sold	579656	1.128
				29-06-2019	-3000	Sold	576656	1.122

Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No. of shares	% of total Shares of the company
				19-07-2019	-750	Sold	575906	1.121
				26-07-2019	-2250	Sold	573656	1.116
				02-08-2019	-4500	Sold	569156	1.108
				09-08-2019	-1500	Sold	567656	1.105
				23-08-2019	-750	Sold	566906	1.102
				27-09-2019	-1500	Sold	565406	1.1
				30-09-2019	-750	Sold	564656	1.099
				11-10-2019	41900	Buy	606556	1.18
				18-10-2019	-750	Sold	605806	1.179
				08-11-2019	-1500	Sold	604306	1.176
				22-11-2019	-750	Sold	603556	1.174
				06-12-2019	-500	Sold	603056	1.173
				13-12-2019	-3000	Sold	600056	1.168
				20-12-2019	-1500	Sold	598556	1.165
				27-12-2019	-750	Sold	597806	1.163
				31-12-2019	-1500	Sold	596306	1.16
				24-01-2020	-2250	Sold	594056	1.156
				31-01-2020	-4500	Sold	589556	1.147
				06-02-2020	-1500	Sold	588056	1.144
				07-02-2020	588056	Sub-Div	1176112	1.144
				06-03-2020	-750	Sold	1175362	1.144
	-Closing Balance			31-03-2020			1175362	1.144
3	SMALLCAP WORLD FUND, INC	0	0.000	01-04-2019				
				26-04-2019	297492	Buy	297492	0.579
				14-06-2019	62999	Buy	360491	0.701
				02-08-2019	12634	Buy	373125	0.726
				09-08-2019	4021	Buy	377146	0.734
				29-11-2019	7478	Buy	384624	0.748
				06-12-2019	45601	Buy	430225	0.837
				13-12-2019	4882	Buy	435107	0.847
				20-12-2019	16153	Buy	451260	0.878
				31-12-2019	2041	Buy	453301	0.882
				10-01-2020	11185	Buy	464486	0.904
				07-02-2020	464486	Sub-Div	928972	0.904
	-Closing Balance			31-03-2020			928972	0.904
4	MIRAE ASSET INDIA EQUITY FUND	594579	1.157	01-04-2019				
				05-04-2019	-29311	Sold	565268	1.1



Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No. of shares	% of total Shares of the company
				26-04-2019	-9647	Sold	555621	1.081
				03-05-2019	-628	Sold	554993	1.08
				23-08-2019	-36267	Sold	518726	1.008
				30-08-2019	-10465	Sold	508261	0.989
				20-09-2019	-3175	Sold	505086	0.983
				27-09-2019	-49562	Sold	455524	0.886
				07-02-2020	455524	Sub-Div	911048	0.886
	-Closing Balance			31-03-2020			911048	0.886
5	GOLDMAN SACHS INDIA LIMITED	513330	0.999	01-04-2019				
				13-12-2019	-19585	Sold	493745	0.961
				07-02-2020	493745	Sub-Div	987490	0.961
				28-02-2020	-21501	Sold	965989	0.94
				06-03-2020	-26503	Sold	939486	0.914
				13-03-2020	-25850	Sold	913636	0.889
				20-03-2020	-29665	Sold	883971	0.86
				27-03-2020	-32544	Sold	851427	0.828
	-Closing Balance			31-03-2020			851427	0.828
6	LIFE INSURANCE CORPORATION OF INDIA	0	0.000	01-04-2019				
				12-04-2019	8936	Buy	8936	0.017
				19-04-2019	5429	Buy	14365	0.028
				26-04-2019	730	Buy	15095	0.029
				03-05-2019	5450	Buy	20545	0.04
				17-05-2019	5658	Buy	26203	0.051
				24-05-2019	513	Buy	26716	0.052
				31-05-2019	20044	Buy	46760	0.091
				21-06-2019	9986	Buy	56746	0.11
				29-06-2019	9448	Buy	66194	0.129
				05-07-2019	5812	Buy	72006	0.14
				12-07-2019	28438	Buy	100444	0.195
				19-07-2019	17170	Buy	117614	0.229
				26-07-2019	96357	Buy	213971	0.416
				02-08-2019	21653	Buy	235624	0.458
				09-08-2019	16864	Buy	252488	0.491
				16-08-2019	6992	Buy	259480	0.505
				07-02-2020	259480	Sub-Div	518960	0.505
	-Closing Balance			31-03-2020			518960	0.505

Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No. of shares	% of total Shares of the company
7	MIRAE ASSET TAX SAVER FUND	135064	0.263	01-04-2019				
				26-07-2019	7584	Buy	142648	0.278
				02-08-2019	6903	Buy	149551	0.291
				03-01-2020	-8000	Sold	141551	0.275
				17-01-2020	-557	Sold	140994	0.274
				24-01-2020	-14096	Sold	126898	0.247
				07-02-2020	126898	Sub-Div	253796	0.247
				06-03-2020	14709	Buy	268505	0.261
				13-03-2020	57000	Buy	325505	0.317
				20-03-2020	49847	Buy	375352	0.365
				27-03-2020	38768	Buy	414120	0.403
	-Closing Balance			31-03-2020	8873	Buy	422993	0.412
8	VANGUARD TOTAL INTERNATIONAL STOCK	0	0.000	01-04-2019				
				27-09-2019	162614	Buy	162614	0.316
				15-11-2019	9494	Buy	172108	0.335
				07-02-2020	172108	Sub-Div	344216	0.335
				21-02-2020	13662	Buy	357878	0.348
	-Closing Balance			31-03-2020			357878	0.348
9	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FUND	145168	0.282	01-04-2019				
				01-11-2019	27032	Buy	172200	0.335
				07-02-2020	172200	Sub-Div	344400	0.335
	-Closing Balance			31-03-2020			344400	0.335
10	TARAMATI BABUBHAI SHAH	170499	0.332	01-04-2019				
				24-05-2019	594	Buy	171093	0.333
				07-02-2020	171093	Sub-Div	342186	0.333
	-Closing Balance			31-03-2020			342186	0.333
11	RISING INDIA FOCUS FUND LIMITED	143819	0.28	01-04-2019				
				29-06-2019	-3724	Sold	140095	0.273
				05-07-2019	-6305	Sold	133790	0.26
				30-08-2019	-20100	Sold	113690	0.221
				13-09-2019	-11050	Sold	102640	0.2

Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No. of shares	% of total Shares of the company
				20-09-2019	-1069	Sold	101571	0.198
				15-11-2019	8300	Buy	109871	0.214
				22-11-2019	10553	Buy	120424	0.234
				29-11-2019	4100	Buy	124524	0.242
				06-02-2020	-1500	Sold	123024	0.239
				07-02-2020	123024	Sub-Div	246048	0.239
				13-03-2020	-10000	Sold	236048	0.23
	-Closing Balance			31-03-2020			236048	0.23
12	INDIA SMALL AND MID CAP GEMS FUND	164030	0.319	01-04-2019				
				10-05-2019	-4221	Sold	159809	0.311
				17-05-2019	-7901	Sold	151908	0.296
				31-05-2019	-15526	Sold	136382	0.265
				26-07-2019	-9000	Sold	127382	0.248
				02-08-2019	-15423	Sold	111959	0.218
				06-02-2020	-10000	Sold	101959	0.198
				07-02-2020	101959	Sub-Div	203918	0.198
				14-02-2020	-24681	Sold	179237	0.174
	-Closing Balance			31-03-2020			179237	0.174
13	MIRAE ASSET INDIA SMALL-MID CAP FOCUS EQUITY MASTER INVESTMENT TRUST	157544	0.307	01-04-2019				
				21-06-2019	-13794	Sold	143750	0.28
				29-06-2019	-11670	Sold	132080	0.257
				13-09-2019	-25541	Sold	106539	0.207
				20-09-2019	-7	Sold	106532	0.207
				24-01-2020	-3	Sold	106529	0.207
				31-01-2020	-24421	Sold	82108	0.16
				07-02-2020	82108	Sub-Div	164216	0.16
	-Closing Balance			31-03-2020			164216	0.16

**Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason*	No. of shares	
1	VINOD SARAF	6950291	13.524	0	6950291	Sub-Div	13900582	13.524
2	VINATI SARAF MUTREJA	605310	1.178	0	605310	Sub-Div	1210620	1.178
3	VIRAL SARAF MITTAL	521183	1.014	0	521183	Sub-Div	1042366	1.014
4	JAYESH ASHAR - COO	-	-	-	-	-	-	-
5	N. K. GOYAL - CFO	-	-	-	-	-	-	-
6	MILIND WAGH - COMPANY SECRETARY	-	-	-	-	-	-	-

\* Sub - division of face value of one equity share of ₹2/- each to two equity shares of ₹1/- each w.e.f. 6th February 2020.

**INDEBTEDNESS**

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

Name	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
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 due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in Lakhs

Sr. No	Particulars of Remuneration	Name of MD/ED/ WTD			Total Amount
		Mr. Vinod Saraf, Executive Chairman	Ms. Vinati Saraf Mutreja, Managing Director & CEO	Ms. Viral Saraf Mittal, Director - CSR	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	152.26	114.94	64.92	332.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>152.26</b>	<b>114.94</b>	<b>64.92</b>	<b>332.12</b>
	Ceiling as per the Act	1,667.00	1,667.00	1,667.00	3,334.50

**B. Remuneration to other directors:**

₹ in Lakhs

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. R. K. Saraswat	Mrs. Mona Bhide	Prof. M. Lakshmi Kantam	Mr. Adesh Kumar Gupta	
<b>1. Independent Directors</b>					
• Fee for attending board / committee meetings	3.25	2.75	1.50	2.25	9.75
• Commission	Nil	Nil	Nil	Nil	Nil
• Others, please specify	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>3.25</b>	<b>2.75</b>	<b>1.50</b>	<b>2.25</b>	<b>9.75</b>
<b>2. Other Non-Executive Directors</b>	<b>Mr. Sunil Saraf</b>				
• Fee for attending board / committee meetings	1.50				1.50
• Commission	Nil				Nil
• Others, please specify	Nil				Nil
<b>Total (2)</b>	<b>1.50</b>				<b>1.50</b>
<b>Total (B)=(1+2)</b>	<b>4.75</b>	<b>2.75</b>	<b>1.50</b>	<b>2.25</b>	<b>11.25</b>
Total Managerial Remuneration	Nil				
Overall Ceiling as per the Act	Nil				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

₹ in Lakhs

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total
		COO	CFO	Company Secretary	
1	Gross salary	92.38	71.84	27.6	191.82
	(a) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) 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 - as % of profit - others, specify...	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>92.38</b>	<b>71.84</b>	<b>27.60</b>	<b>191.82</b>

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

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



## Annexure '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 2019-20.
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) & Veeral Additives Pvt. Ltd. (VAPL), Associate Companies of VOL. Contract was entered for the year 2019-20.
  - 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 (₹ in Lakhs)
Effluent Water	Sale	6202 K.L.	1.55
Stores	Sale	--	8.51
Spares	Sale	--	20.66
Activated Carbon	Sale	0.5 M.T.	0.98
Sodium Potassium Carbonate Mixture	Sale	88900 K.G.	6.22
<b>Total:</b>			<b>37.92</b>
Potassium Carbonate	Purchase	695990 K.G.	407.36
48% Concentration KOH LYE	Purchase	1550 K.G.	1.08
Soda Ash (Light)	Purchase	3.5 Tone	0.39
<b>Total:</b>			<b>408.83</b>
Rent received from Immovable Property			6.30
<b>Total:</b>			<b>6.30</b>

Name of the product	Nature of contracts	Quantity	Amount (₹ in Lakhs)
2, 4 DTBP and stores	Sale	--	33.32
<b>Total:</b>			<b>33.32</b>
Shell Heat Transfer Oil S2	Purchase	--	14.85
<b>Total:</b>			<b>14.85</b>
Rent received from Immovable Property			4.80
<b>Total:</b>			<b>4.80</b>

These are only related party transaction done during the year.

## Annexure 'K'

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

Sl. No.		Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Ms. Viral Saraf Mittal	Mr. Sunil Saraf
1	How well prepared & informed is he/she for board meetings?	Excellent	Excellent	Very good	Very good
2	What has been the quality & value of his/her contribution at board meetings?	Excellent	Excellent	Very good	Very good
3	What has been his/her contribution towards development of strategy management?	Excellent	Excellent	Very good	Very good
4	How well he/she communicates with fellow board members, senior management & others & manages the views of other during the board meeting?	Excellent	Excellent	Very good	Very good
5	How effective the quality(s), quantity and timeliness of flow of information between the Company management and the Board of directors that is necessary for the Board to effectively and reasonably perform their duties?	Excellent	Excellent	Very good	Very good

## Annexure 'L'

# Secretarial Audit Report

## FORM MR-3

### FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

To,  
The Members,  
**VINATI ORGANICS LIMITED**  
B-12 & B-13, MIDC Indl. Area,  
Mahad – 402 309,  
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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 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) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;
6. Other Laws applicable to the Company;
- The Factories Act, 1948.
  - The Payment of Wages Act, 1936.
  - The Minimum Wages Act, 1948.
  - The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
  - The Payment of Gratuity Act, 1972.
  - The Bombay Shops and Establishments Act, 1948.
  - The Maharashtra Labour Welfare Fund Act, 1953.
  - The Environment (Protection) Act, 1986.
  - The Industrial Dispute Act, 1947.

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

- 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.
- 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. During the year under review following change took place in the composition of the Board of Directors of the Company:

- Re-Appointment of Ms. Viral Saraf Mittal as a Whole time Director of the Company designated as "Director – CSR" w. e. f. 19<sup>th</sup> May, 2019.
- Appointment of Mr. Adesh Kumar Gupta as Non-Executive and Independent Director of the Company w. e. f. 11<sup>th</sup> May, 2019.
- Appointment of Dr. Prof. Lakshmi Kantam Mannepalli as Non-Executive and Independent Director of the Company w. e. f. 11<sup>th</sup> May, 2019.

The aforementioned change was carried out in conformity and 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**  
Company Secretaries

**(Vijay Kumar Mishra)**

Partner

M. No. F-5023

COP No.4279

UDIN No. : F005023B000389541

Place: Mumbai

Date: 01/08/2020

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 Indl. Area,  
Mahad – 402 309,  
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**  
Company Secretaries

**(Vijay Kumar Mishra)**  
Partner

Place: Mumbai  
Date: 01/08/2020

M. No. F-5023  
COP No.4279  
UDIN No. : F005023B000389541

# Annexure 'M'

## Business Responsibility Report for FY 2019-20

### 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, 2019 – March 31, 2020.
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacture of organic & inorganic chemical compounds n.e.c. 20119.
8. List three key products / services that the company manufactures / provides (as in balance sheet):	Iso Butyl Benzene (IBB), 2-Acrylamido 2-methylpropane Sulfonic Acid (ATBS), Sodium salt of 2-Acrylamido 2-methylpropane Sulfonic Acid (NaATBS) & Isobutylene (IB) & others.
9. Total number of locations where business activity is undertaken by the Company:	Mahad & Lote, Parshuram.
10. Markets served by the Company:	India, USA, Australia, China, Germany, France, Italy, Japan, South Korea, Thailand, Malaysia, Latvia, México etc.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2020

Sl. No.	Particulars	FY 2019-20 ₹ in Lakhs
1	Paid up capital	1027.82
2	Total turnover (net of excise)	101052.21
3	Total profit after taxes	33382.48
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.10%

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 ₹ 366.96 Lakhs for various CSR activities such as health, education, society upliftment, wildlife protection, environment preservation, sectorial industrial research etc..

### SECTION C: OTHER DETAILS

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

### SECTION D: BUSINESS RESPONSIBILITY INFORMATION

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

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



b) Details of the BR head:

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

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

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

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

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

\* Please refer the explanation given for principle 7 above

## 4. Governance related to BR:

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year 3-6 months.
- b) Does the Company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?
- The Company publishes the BR Report in the Annual Report, on the website of the Company (www.vinatiorganics.com) and files the same online on NSE & BSE websites.

## SECTION E - PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

As mentioned in the Corporate Governance Report, 13 complaints were received from investors during the year FY2019-20 and all but one have been resolved. Complaints/ grievances from other stakeholders are dealt with on an ongoing basis by the respective departments within the Company.

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

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

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

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

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

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

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

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

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

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

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

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

1. Please indicate the total number of employees: 865
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis: 533
3. Please indicate the number of permanent women employees: 24
4. Please indicate the number of permanent employees with disabilities: 3
5. Do you have an employee association that is recognised by management? No employee association exists

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

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

Not Applicable.

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

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

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

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

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

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

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

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

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

Yes

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

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

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

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

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

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

During the year 13 complaints were received from investors and all but one complaints have been resolved, as on March 31, 2020.

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

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

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

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

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

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

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

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

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

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

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

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

Yes.

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

NIL.

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

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

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

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

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

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

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

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

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

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

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

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

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

INR and the details of the projects undertaken?

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

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

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

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

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

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

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

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

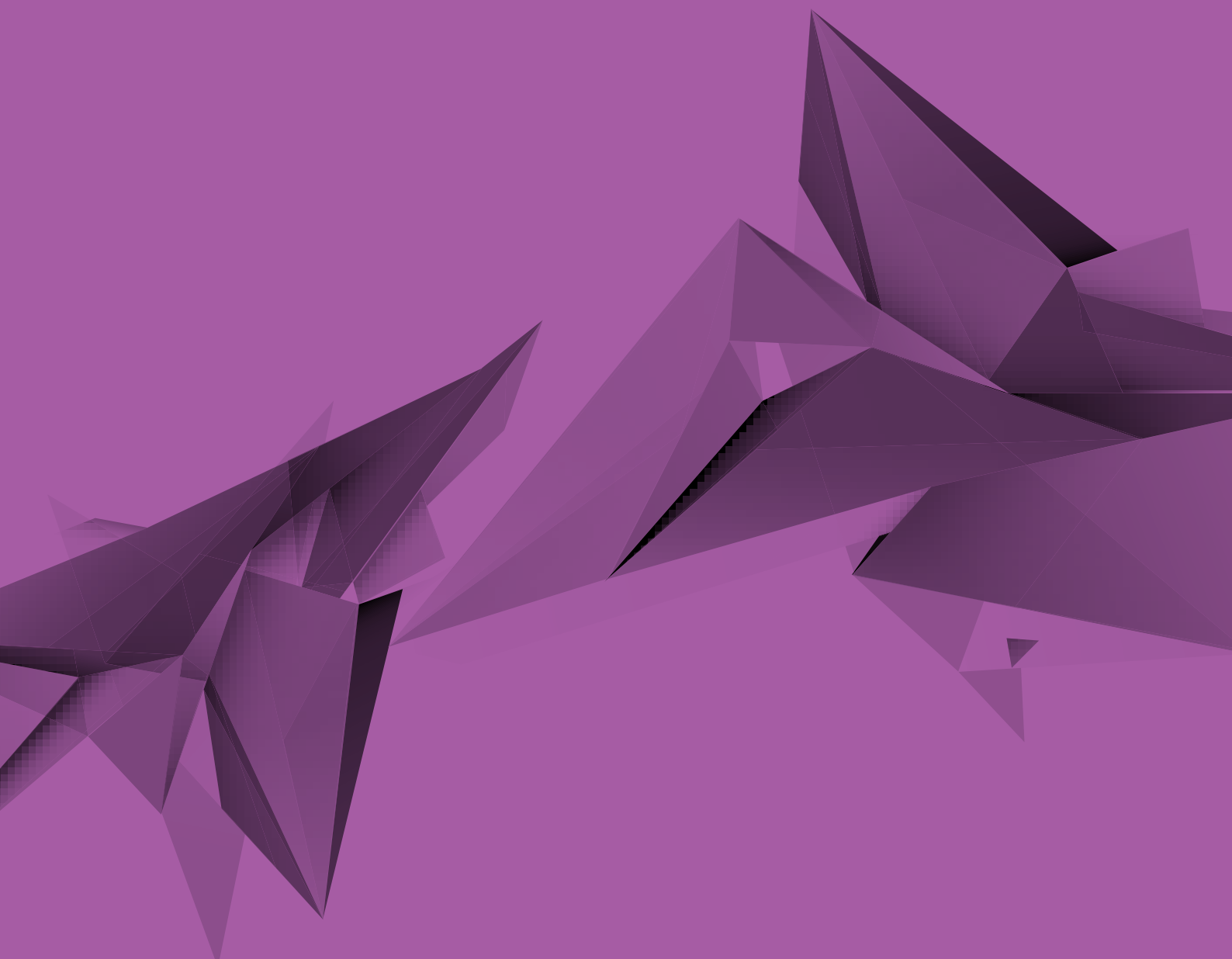
**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There is no such instance.

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

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

# Financial Statements





# Independent Auditor's Report

To the Members of **Vinati Organics Limited**

## Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of VINATI ORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2020, and its profit(financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial

Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

## Emphasis of Matter

We draw attention to Note 28(j) in the Notes to the Standalone Ind AS financial statements which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

Sr. No.	Key Audit Matter	Our Response
1	<p><b>Defined benefit obligation</b></p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p>

Sr. No.	Key Audit Matter	Our Response
		<p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>
2	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b>Principal Audit Procedures</b></p> <p>We performed the following substantive procedures:</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to examine the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p> <p><b>Conclusion</b></p> <p>We agree with management's evaluation.</p>

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

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

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

When we read the Board report including Annexures to Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility for the Standalone Ind AS Financial Statements

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

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability

to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

### Report on Other Legal and Regulatory Requirements

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.
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 Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any directors is not in excess of the limit laid down under Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 28 (i) to the Standalone Ind AS financial statements;
  - b. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses; and
  - c. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company

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

**(N. Kashinath)**  
Partner  
Mem. No.: 036490  
UDIN :20036490AAAACE3928  
Mumbai, 13<sup>th</sup> June 2020

# Annexure "A" to the Independent Auditor's Report of even date on the Standalone Ind As Financial Statements of Vinati Organics Limited

- i) In respect of its Property, Plant and Equipment:
- The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
  - 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;
  - 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) The Company has not granted any loan nor given any guarantee or security, during the year, covered by the provisions of Sections 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investment made during the year.
- v) The Company has not accepted any deposits within the meaning of Provisions of Section 73 to 76 of the Act, and the rules framed thereunder from the public.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, undisputed amount in respect of custom duty amounting to ₹14.11 lakhs have remained outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.
- b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where the dispute is pending	₹ Lakhs
<b>CUSTOMS ACT, 1962</b>			
Customs Duty and penalty	March, 2012 to May 2012	Appellate Tribunal	45.08
<b>CENTRAL EXCISE ACT, 1944 and Finance Act 1994</b>			
Service Tax	Jan., 2012 to Nov., 2012	Appellate Tribunal	2.36
<b>INCOME TAX, 1961</b>			
Income Tax	2008-09	Appellate Commissioner	2.62
	2009-10	Appellate Commissioner	0.86

- viii) The company has not defaulted in repayment of its loans or borrowings to banks. The Company does not have any borrowings by way of debentures.
- ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments) and term loans during the year. Hence, provisions of Clause 3(ix) of the aforesaid order is not applicable to the Company.
- x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Refer Note 28(f) as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of share or fully or partly paid convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv) 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  
UDIN :20036490AAAACE3928  
Mumbai, 13<sup>th</sup> June 2020

# “Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of Vinati Organics Limited

## **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, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Ind AS financial statements 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, both applicable to an audit of Internal Financial control and both issued by the ICAI. 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 with reference to Standalone Ind AS financial statements 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 with reference to Standalone Ind AS financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control with reference to Standalone Ind AS financial statements 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.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to Standalone Ind AS financial statements, 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 with reference to Standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Ind AS financial statements and such internal financial controls with reference to Standalone Ind AS financial statements

were operating effectively as at March 31, 2020, based on the internal control with reference to Standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**(N. Kashinath)**  
Partner  
Mem. No.: 036490  
UDIN :20036490AAAACE3928  
Mumbai, 13<sup>th</sup> June 2020



# Balance Sheet

as at 31st March 2020

(₹ in Lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2 (a)	74,909.44	47,191.10
Capital Work-in-Progress	2 (b)	3,097.07	19,117.50
Other Intangible Assets	2 (c)	166.65	259.81
Financial Assets;			
- Other financial assets	3	311.81	316.23
Other non-current assets	4	1,555.95	2,765.39
<b>Current Assets</b>			
Inventories	5	9,317.07	9,239.46
Financial Assets			
- Investments	6	22,739.47	9,647.34
- Trade Receivables	7	20,177.65	24,397.73
- Cash and cash Equivalents	8	909.32	4.06
- Bank balances other than cash and cash equivalents	9	4,460.75	376.10
- Loans	10	30.34	5.11
- Others financial assets	3	225.06	10.40
Current Tax Assets (Net)		817.80	1,178.78
Other current assets	4	5,578.96	8,248.48
<b>Total Assets</b>		<b>1,44,297.34</b>	<b>1,22,757.49</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	SOCE	1,027.82	1,027.82
Other Equity	SOCE	1,26,912.75	1,04,100.06
<b>Total Equity</b>		<b>1,27,940.57</b>	<b>1,05,127.88</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Other Financial Liabilities	11	24.72	25.29
Deferred Tax Liabilities (Net)	12	7,048.32	8,456.83
Other non-current liabilities	13	382.65	267.55
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	14	34.65	368.26
- Trade Payables			
(A) total outstanding dues of micro & small enterprises	15	215.61	148.80
(B) total outstanding dues other than micro & small enterprises	15	5,350.41	5,162.84
- Other Financial Liabilities	11	310.12	761.66
Other Current Liabilities	13	1,416.04	1,053.80
Provisions	16	443.65	323.56
Current Tax Liabilities (Net)		1,130.60	1,061.02
<b>Total Liabilities</b>		<b>16,356.77</b>	<b>17,629.61</b>
<b>Total Equity and Liabilities</b>		<b>1,44,297.34</b>	<b>1,22,757.49</b>
Significant Accounting Policies	1		

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

**For M.M.Nissim & Co**

Chartered Accountants  
Firm Reg.No. 1107122W

**N.Kashinath**

Partner  
Mem.No.036490

Mumbai, Dated 13th June, 2020

For and on behalf of Board of Directors

**Millind Wagh**

Company Secretary

**Nand Kishor Goyal**

Chief Financial Officer

**Vinod Saraf**

Chairman  
DIN: 00076708

**Vinati Saraf Mutreja**

Managing Director & CEO  
DIN: 00079184

# Statement of Profit and Loss

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>Income</b>			
Revenue from Operations	17	1,02,887.39	1,12,792.36
Other Income	18	4,498.92	3,017.10
<b>Total Income</b>		<b>1,07,386.31</b>	<b>1,15,809.46</b>
<b>Expenses</b>			
Cost of materials consumed	19	43,149.68	52,858.97
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(279.41)	(349.08)
Employee Benefits expense	21	6,427.70	5,420.04
Finance Costs	22	109.22	94.40
Depreciation and Amortisation expense	23	3,316.05	2,738.56
Other Expenses	24	12,195.81	12,522.49
<b>Total Expenses</b>		<b>64,919.05</b>	<b>73,285.38</b>
<b>Profit Before Tax</b>		<b>42,467.26</b>	<b>42,524.08</b>
<b>Tax Expense (Refer Note 28(i)(e) and 28(k))</b>			
Current Tax		9,559.51	13,861.73
Deferred Tax		(1,408.51)	371.30
Earlier year Adjustments		933.78	42.21
<b>Total Tax Expense</b>		<b>9,084.78</b>	<b>14,275.24</b>
<b>Profit For The Year</b>		<b>33,382.48</b>	<b>28,248.84</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(50.13)	1.00
Income Tax relating to items that will not be reclassified to Profit or Loss		12.62	(0.35)
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		<b>(37.51)</b>	<b>0.65</b>
<b>Total Comprehensive Income for the Year</b>		<b>33,344.97</b>	<b>28,249.49</b>
Earnings Per Equity Share	29 (a)		
Basic		32.48	27.48
Diluted		32.48	27.48
Significant Accounting Policies	1		

The Notes are an integral part of these financial statements

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

**For M.M.Nissim & Co**

Chartered Accountants

Firm Reg.No. 1107122W

For and on behalf of Board of Directors

**Millind Wagh**

Company Secretary

**Vinod Saraf**

Chairman

DIN: 00076708

**N.Kashinath**

Partner

Mem.No.036490

**Nand Kishor Goyal**

Chief Financial Officer

**Vinati Saraf Mutreja**

Managing Director &amp; CEO

DIN: 00079184

Mumbai, Dated 13th June, 2020

# Statement of Changes in Equity

for the year ended 31st March 2020

(₹ in Lakhs)

Equity Share Capital	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	Number	Number	Amount	Amount
Authorised Share Capital	15,00,00,000	7,50,00,000	1,500.00	1,500.00
Issued Share Capital	10,27,82,050	5,13,91,025	1,027.82	1,027.82
Subscribed Share Capital	10,27,82,050	5,13,91,025	1,027.82	1,027.82
Fully Paid-up Share Capital	10,27,82,050	5,13,91,025	1,027.82	1,027.82
<b>Balance at the beginning of the year</b>	<b>10,27,82,050</b>	<b>5,13,91,025</b>	<b>1,027.82</b>	<b>1,027.82</b>
Changes in equity share capital during the year:	-	-	-	-
Bought back during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>10,27,82,050</b>	<b>5,13,91,025</b>	<b>1,027.82</b>	<b>1,027.82</b>

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

The company has one class of equity shares having par value of ₹1 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 31 Mar 2020		As at 31 March 2019	
	No.	%	No.	%
Vinod Saraf	1,39,00,582	13.52%	69,50,291	13.52%
Kavita Saraf	1,24,14,456	12.08%	62,07,228	12.08%
Suchir Chemicals Pvt. Ltd.	4,75,40,253	46.25%	2,37,50,204	46.21%

The Company had split the face value of its shares from ₹ 2 to ₹ 1 during the year having record date 6th February 2020.

# Statement of Changes in Equity (Contd..)

for the year ended 31st March 2020

(₹ in Lakhs)

Other Equity	Reserves and Surplus					Other Comprehensive Income(OCI)	Total
	Securities Premium	General Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
<b>Balance at the beginning of the Year 1st April 2018</b>	636.28	5,947.60	30.40	4.00	72,177.74	(157.49)	78,638.53
Profit for the year ending 31st March 2019					28,248.84		28,248.84
Other Comprehensive Income for the year ending 31st March 2019						0.65	0.65
<b>Total</b>	-	-	-	-	1,00,426.58	(156.84)	1,06,887.37
<b>Transactions with owners in their capacity as owners:</b>							
Dividends and Dividend Distribution Tax							-
- Dividend (₹4.50 per share)				-	(2,312.60)		(2,312.60)
- Dividend Distribution Tax				-	(475.36)		(475.36)
<b>Balance at the beginning of the Year 1st April 2019</b>	636.28	5,947.60	30.40	4.00	97,638.62	(156.84)	1,04,100.06
<b>Profit for the current reporting period</b>					33,382.48		33,382.48
Other Comprehensive Income for the Current Reporting year ending 31st March 2020	-	-	-	-	-	(37.51)	(37.51)
<b>Total</b>	636.28	5,947.60	30.40	4.00	1,31,021.10	(194.35)	1,37,445.03
<b>Transactions with owners in their capacity as owners:</b>							
Dividends and Dividend Distribution Tax							
- Dividend (₹8.50 per share)					(8,736.47)		(8,736.47)
- Dividend Distribution Tax					(1,795.81)		(1,795.81)
<b>Balance at the end of the reporting year</b>	636.28	5,947.60	30.40	4.00	1,20,488.82	(194.35)	1,26,912.75

# Statement of Changes in Equity (Contd..)

for the year ended 31st March 2020

Nature and Purpose of each component of equity	Nature and Purpose
i. Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
ii. General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
iii. Capital Reserve	Capital Reserve represents special capital incentive of ₹30 Lakhs & ₹0.40 Lakhs of share forfeiture.
iv. Capital Redemption Reserve	Capital Redemption Reserve is created against the buy back of shares by the Company as per statutory requirements
v. Retained Earnings	Retained Earnings are Profits that the company has earned till date less any transfers to General Reserves and Dividends.
vi. Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

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

## For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

## Millind Wagh

Company Secretary

## Vinod Saraf

Chairman  
DIN: 00076708

## N.Kashinath

Partner  
Mem.No.036490

## Nand Kishor Goyal

Chief Financial Officer

## Vinati Saraf Mutreja

Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 13th June, 2020

# Cash Flow Statement

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
	Audited		Audited	
<b>A. Cash Flow from Operating Activities :</b>				
<b>Net Profit Before Tax</b>		<b>42,467.26</b>		<b>42,524.08</b>
<b>Adjustment for :</b>				
Depreciation	3,316.05		2,738.56	
Unrealised foreign exchange loss/(gain)	(971.52)		(484.72)	
Finance Cost (including fair value change in financial instruments)	109.22		94.40	
Interest Income	(239.27)		(140.56)	
Dividend Income	(713.00)		(469.39)	
Net gains on fair value changes on financial assets classified as FVTPL	(302.39)		(228.33)	
Net gain on sale of Investments classified as FVTPL	(83.06)		-	
Remeasurements of Defined benefit plans	(50.13)		1.00	
Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment	(2.17)	1,063.73	(2.50)	1,508.46
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>43,530.99</b>		<b>44,032.54</b>
Trade receivables	5,191.60		(6,459.82)	
Other Non Current Financial assets	(13.17)		(11.95)	
Other Non Current Assets	11.52		(2.17)	
Other Current Assets	2,669.52		(3,310.35)	
Inventories	(77.61)		(1,016.08)	
Trade Payable	254.38		(984.68)	
Provisions	120.09		56.14	
Other non-current liabilities	115.10		(20.63)	
Other Current Financial Liabilities	(521.76)		81.10	
Other current liabilities	362.24	8,111.91	292.78	(11,375.66)
<b>Cash Generated from Operations</b>		<b>51,642.90</b>		<b>32,656.88</b>
Direct Taxes paid		(10,050.14)		(12,621.26)
<b>Net Cash from Operating Activities</b>		<b>41,592.76</b>		<b>20,035.62</b>
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Property, Plant and Equipment	(31,008.97)		(4,512.23)	
Capital Work in Progress And Capital Advance	17,218.35		(16,094.39)	
Proceeds from sale of Property, Plant and Equipment	69.94		9.74	
Purchase of Investments	(4,860.18)		(4,506.59)	
Proceeds from sale of Investments	2,189.90		-	
Loans (Financial assets)	(25.23)		100.62	
Deposits/Balances with Banks	(4,067.06)		85.61	
Interest Income	24.61		176.63	
Dividend income	713.00		469.39	

# Cash Flow Statement

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
	Audited		Audited	
<b>Net Cash Used In Investing Activities</b>		<b>(19,745.64)</b>		<b>(24,271.22)</b>
<b>C. Cash Flow from Financing Activities</b>				
(Repayments) / Proceeds from Working Capital Facilities (Net)	(333.61)		(1,151.98)	
Non Current Financial Liabilities - Security Deposits	(0.57)		(2.13)	
Interest paid	(109.22)		(94.40)	
Dividend and Corporate Dividend Tax	(10,462.06)		(2,777.97)	
<b>Net Cash from Financing Activities</b>		<b>(10,905.46)</b>		<b>(4,026.48)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>10,941.66</b>		<b>(8,262.08)</b>
<b>Cash and Cash Equivalents as at 31st March, 2019</b>		<b>4,916.47</b>		<b>13,178.54</b>
- Cash and cash Equivalents		4.06		4.69
- Highly Liquid Investments		4,912.41		13,173.86
<b>Cash and Cash Equivalents as at 31st March, 2020</b>		<b>15,858.13</b>		<b>4,916.47</b>
- Cash and cash Equivalents		909.32		4.06
- Highly Liquid Investments		14,948.81		4,912.41
Note to Cash Flow Statement:				
1. The above Cash Flow Statement has been prepared under the Indirect Method.				
2. Reconciliation of Financing Liabilities				
		<b>31.03.2020</b>		<b>31.03.2019</b>
<b>Opening Balance</b>		<b>561.62</b>		<b>1,703.61</b>
Cash inflow /(outflow) of current borrowings		(333.61)		(1,151.98)
Changes in unpaid dividend		70.22		9.99
<b>Closing Balance</b>		<b>298.23</b>		<b>561.62</b>

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

## For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

## Millind Wagh

Company Secretary

## Vinod Saraf

Chairman  
DIN: 00076708

## N.Kashinath

Partner  
Mem.No.036490

## Nand Kishor Goyal

Chief Financial Officer

## Vinati Saraf Mutreja

Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 13th June, 2020



# Notes to the Financial Statements for the year ended 31st March 2020

## Note 1 : Significant Accounting Policies

### A General Information

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

### B Basis of preparation of Financial Statements

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

#### i Statement of Compliance

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

#### ii Basis of preparation and presentation

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

- Certain financial assets/liabilities measured at fair value (Refer note C-20) and
- Any other item as specifically stated in accounting policy.

The Financial Statements are presented in Indian Rupee ('INR') and all values are rounded to the Rupee in Lakhs, 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, 2020 were authorised for issue in accordance with a resolution of the board of directors on 13th June, 2020.

#### iii Major Sources of Estimation Uncertainty

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

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

#### Property, Plant and Equipment:

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

#### Impairment of Non-financial Assets:

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

# Notes to the Financial Statements for the year ended 31st March 2020

## 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.

## Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of inventories, receivables and Investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

## C Summary of Significant Accounting Policies

### 1 Property, Plant and Equipment

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the

# Notes to the Financial Statements

for the year ended 31st March 2020

Previous GAAP and use that carrying value as its deemed cost of the PPE.

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

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 when the asset is derecognised.

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

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

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

Depreciation on Property, Plant and Equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

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

## 2 Research and Development Assets

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

# Notes to the Financial Statements for the year ended 31st March 2020

## 3 Intangible Assets

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

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

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

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

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

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

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

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

## 5 Inventories

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

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

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

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

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

## 6 Leases

### Where the Company is a Lessee -

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of

# Notes to the Financial Statements

for the year ended 31st March 2020

time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives and restoration cost. They are subsequently measured at cost less accumulated depreciation and impaired losses, if any. ROU assets are depreciated on a straight line basis over the asset's useful life or the lease whichever is shorter. Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

## Where the Company is a Lessor -

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight line basis over the lease term.

## 7 Government Grants

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

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

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

Grant/subsidy receivable against a specific Property, Plant and Equipment is deducted from the cost of the relevant Property, Plant and Equipment.

## 8 Provisions, Contingent Liabilities and Contingent Assets

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

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

# Notes to the Financial Statements for the year ended 31st March 2020

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

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

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

## 9 Foreign Currency Transactions

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

## 10 Share capital and Securities Premium

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

## 11 Dividend Distribution to equity shareholders

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

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

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

## 13 Revenue Recognition and Other Income

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

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

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

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

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

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



# Notes to the Financial Statements

for the year ended 31st March 2020

Use of significant judgements in revenue recognition

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

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

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

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

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

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

## 14 Borrowing costs

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

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

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

## 15 Employee Benefits

### Short-term Employees Benefits

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

### Post-employment benefits

The Company provides the following post-employment benefits:

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



# Notes to the Financial Statements for the year ended 31st March 2020

## Defined benefits plans

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation.

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

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

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

## Defined Contribution Plans

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

## 16 Income Taxes

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

## Current tax

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

## 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.

# Notes to the Financial Statements

for the year ended 31st March 2020

## 17 Earnings per Share:

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

## 18 Current versus non-current classification

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

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

## 19 Fair value measurement

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

# Notes to the Financial Statements for the year ended 31st March 2020

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

## 20 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries and joint ventures, investment other than equity shares, loans to employee / others, security deposit etc.

#### Initial recognition and measurement

All financial assets except trade receivable are recognized initially at fair value. The financial assets not recorded at fair value through profit or loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- 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.

# Notes to the Financial Statements

for the year ended 31st March 2020

## 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.

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:-

# Notes to the Financial Statements

for the year ended 31st March 2020

## 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.

## Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 2 (a) Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Air Conditioners	Total
(₹ in Lakhs)									
<b>Gross Block</b>									
<b>At cost as at 31 March 2018</b>	7.61	16,415.51	32,528.74	365.73	235.87	31.46	37.23	39.98	49,662.13
Additions	18.57	1,788.03	2,631.57	39.77	13.13	1.16	9.68	4.39	4,506.30
Disposals / adjustments			-3.95	-	-9.39				-13.34
<b>At cost as at 31 March 2019</b>	26.18	18,203.54	35,156.36	405.50	239.61	32.62	46.91	44.37	54,155.09
Additions	-	4,956.06	25,949.07	74.40	7.29	3.49	9.61	8.68	31,008.60
Disposals / adjustments			-68.21	-	-16.83				-85.04
<b>At cost as at 31 March 2020</b>	26.18	23,159.60	61,037.22	479.90	230.07	36.11	56.52	53.05	85,078.65
<b>Depreciation Block</b>									
<b>Accumulated depreciation / amortisation as at 31 March 2018</b>		869.86	3,234.58	94.09	72.14	20.80	19.45	21.59	4,332.51
Depreciation / Amortisation for the year		524.82	2,009.98	52.11	34.78	2.31	8.75	4.83	2,637.58
Disposals / adjustments			-0.87		-5.23				-6.10
<b>Accumulated depreciation / amortisation as at 31 March 2019</b>	-	1,394.68	5,243.69	146.20	101.69	23.11	28.20	26.42	6,963.99
Depreciation / Amortisation for the year		572.43	2,547.41	56.81	30.13	2.53	7.53	5.67	3,222.51
Disposals / adjustments			-7.13		-10.14				-17.27
(Reversal of Impairment)									-
<b>Accumulated depreciation / Amortisation as at the 31 March 2020</b>	-	1,967.11	7,783.97	203.01	121.68	25.64	35.73	32.09	10,169.23
<b>Net Block</b>									
<b>As at 31 March 2018</b>	-	15,545.65	29,294.16	271.64	163.73	10.66	17.78	18.39	45,329.62
<b>As at 31 March 2019</b>	26.18	16,808.86	29,912.67	259.30	137.92	9.51	18.71	17.95	47,191.09
<b>As at 31 March 2020</b>	26.18	21,192.49	53,253.25	276.89	108.39	10.47	20.79	20.96	74,909.44

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 2 (b) Capital Work-in-Progress

Particulars	(₹ in Lakhs)
	<b>Total</b>
<b>As at 31 March 2019</b>	<b>19,117.54</b>
<b>As at 31 March 2020</b>	<b>3,097.07</b>

## Note 2 (c) Intangibles

Particulars	Computer Software	Technical Know How	(₹ in Lakhs) Total
<b>Gross Block</b>			
<b>At cost as at 31 March 2018</b>	<b>110.12</b>	<b>453.50</b>	<b>563.62</b>
Additions	5.93	-	5.93
Disposals /adjustments	-	-	-
<b>At cost as at 31 March 2019</b>	<b>116.05</b>	<b>453.50</b>	<b>569.55</b>
Additions	0.37	-	0.37
Disposals /adjustments	-	-	-
<b>At cost as at 31 March 2020</b>	<b>116.42</b>	<b>453.50</b>	<b>569.92</b>
Depreciation Block			
<b>Accumulated depreciation / amortisation as at 31 March 2018</b>	<b>61.12</b>	<b>147.64</b>	<b>208.76</b>
Depreciation / Amortisation for the year	22.23	78.75	100.98
Disposals /adjustments	-	-	-
<b>Accumulated depreciation / amortisation as at 31 March 2019</b>	<b>83.35</b>	<b>226.39</b>	<b>309.74</b>
Depreciation / Amortisation for the year	14.79	78.75	93.54
Disposals /adjustments	-	-	-
(Reversal of Impairment)	-	-	-
<b>Accumulated depreciation / Amortisation as at the 31 March 2020</b>	<b>98.14</b>	<b>305.14</b>	<b>403.28</b>
<b>Net Block</b>			
<b>As at 31 March 2018</b>	<b>49.00</b>	<b>305.86</b>	<b>354.86</b>
<b>As at 31 March 2019</b>	<b>32.70</b>	<b>227.11</b>	<b>259.81</b>
<b>As at 31 March 2020</b>	<b>18.28</b>	<b>148.36</b>	<b>166.65</b>



# Notes to the Financial Statements

for the year ended 31st March 2020

## 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:

(₹ in Lakhs)

Particulars	Gross Block	Accumulated depreciation / amortisation as at 31 March 2020	Net Block
Buildings	14,753.52	3,115.22	11,638.30
Plant and equipment	27,652.18	13,173.53	14,478.65
Furniture and fixtures	513.36	389.69	123.67
Office equipment	50.91	48.31	2.60
Computers	124.72	118.13	6.59
Air Conditioners	89.73	84.34	5.39
Vehicles	170.31	144.04	26.27
	<b>43,354.73</b>	<b>17,073.26</b>	<b>26,281.47</b>

(₹ in Lakhs)

Particulars	Gross Block	Accumulated depreciation / amortisation as at 31 March 2020	Net Block
Computer Software	181.66	178.03	3.63
Technical Know How	770.80	622.44	148.36
	<b>952.46</b>	<b>800.47</b>	<b>151.99</b>

- i. During the year, the company has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment/ Capital Work-In-Progress;

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Legal and Professional Charges	12.35	27.90
Travelling Expenses	0.37	0.94
Rates & Taxes	4.82	20.05
Insurance Charges	8.79	13.11
Others	-	1.48
	<b>26.33</b>	<b>63.48</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 3 Other Financial Assets

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Bank deposits with more than 12 months maturity	96.41	114.00	-	-
Others				
Security Deposits	215.40	202.23	-	-
Interest Accrued on Loans and Deposits	-	-	225.06	10.40
Others	-	-	-	-
<b>Total</b>	<b>311.81</b>	<b>316.23</b>	<b>225.06</b>	<b>10.40</b>

## Note 4 Other Assets

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Capital Advances	516.61	1,714.53	-	-
Advances other than capital advances				
Security Deposits	6.99	6.99	523.80	291.21
Advances to suppliers	-	-	1,002.70	859.43
Interest Accrued on Deposits	-	-	13.43	-
<b>Sub Total</b>	<b>523.60</b>	<b>1,721.52</b>	<b>1,539.93</b>	<b>1,150.64</b>
Others				
Balance with Statutory authorities	-	-	2,514.79	4,163.13
Advances recoverable in cash or kind	-	-	1,435.55	2,852.12
Prepaid Expenses	1,032.35	1,043.87	88.69	82.59
<b>Sub Total</b>	<b>1,032.35</b>	<b>1,043.87</b>	<b>4,039.03</b>	<b>7,097.84</b>
<b>Total</b>	<b>1,555.95</b>	<b>2,765.39</b>	<b>5,578.96</b>	<b>8,248.48</b>

## Note 5 Inventories

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw Materials	1,509.09	1,154.45
Raw Materials in transit	1,251.33	2,148.93
Work-in-progress	1,063.68	761.50
Finished goods	1,537.21	1,559.99
Stores and spares	3,955.76	3,614.59
<b>Total</b>	<b>9,317.07</b>	<b>9,239.46</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 6 Current Investments

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Fully paid up - Unquoted</b>		
i) In Mutual Fund Units: (at fair value through Profit or Loss )		
<b>Income Plan: Growth Option</b>	14,948.81	4,912.41
<b>Fully paid up - Quoted</b>		
i) In ETF (at fair value through Profit or Loss)	3,003.00	-
ii) In Non Convertible Debentures: (at fair value through Profit or Loss )	4,787.66	4,734.93
<b>Total</b>	<b>22,739.47</b>	<b>9,647.34</b>

## Note 7 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	20,177.65	24,397.73
<b>Total</b>	<b>20,177.65</b>	<b>24,397.73</b>

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

## Note 8 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with Banks (of the nature of cash and cash equivalents)	908.04	2.01
Cash on hand	1.28	2.05
<b>Total</b>	<b>909.32</b>	<b>4.06</b>

## Note 9 Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than 3 months but less than 12 months	4,197.18	182.75
Others:		
Unclaimed Dividend Account	263.57	193.35
<b>Total</b>	<b>4,460.75</b>	<b>376.10</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 10 Loans (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Loans and Advances to employees	30.34	5.11
<b>Total</b>	<b>30.34</b>	<b>5.11</b>

## Note 11 Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Unclaimed dividends	-	-	263.57	193.35
Others :				
Security Deposit	24.72	25.29	-	-
Employee benefits	-	-	25.76	82.40
Liabilities for expenses	-	-	20.79	485.91
<b>Total</b>	<b>24.72</b>	<b>25.29</b>	<b>310.12</b>	<b>761.66</b>

## Note 12 Deferred Tax Liabilities - (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred Tax Liabilities (Net);</b>		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	7,050.75	8,619.84
- Unrealised (gain)/loss on FVTPL debt Mutual Funds And equity instruments	83.94	27.04
<b>Deferred Tax Asset:</b>		
- Accrued Expenses allowable on Actual Payments	(75.34)	(160.65)
- Unabsorbed Capital Losses	(11.03)	(29.40)
<b>Total</b>	<b>7,048.32</b>	<b>8,456.83</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 13 Other Liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Contract Liabilities	-	-	93.14	77.94
Others;				
Statutory Dues	-	-	210.30	267.44
Liabilities for expenses	-	-	797.92	707.95
Others	382.65	267.55	314.68	0.47
<b>Total</b>	<b>382.65</b>	<b>267.55</b>	<b>1,416.04</b>	<b>1,053.80</b>

During the year ended 31st March, 2020, the Company recognised revenue of ₹77.35 Lakhs ( Previous year ₹196.03 Lakhs) arising from opening unearned revenue (contract liabilities)

Movement of contract liabilities is as under

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
As at beginning of the year	77.94	196.09
Recognised as revenue from contracts with customers	-9,542.67	-5,760.00
Advance from customers received during the year	9,557.87	5,641.85
<b>Balance at the close of the year</b>	<b>93.14</b>	<b>77.94</b>

## Note 14 Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>CURRENT</b>		
<b>Secured</b>		
Loans repayable on demand		
- from banks	34.65	368.26
<b>Total</b>	<b>34.65</b>	<b>368.26</b>

### 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 Chairman, Mr. Vinod Saraf.

### Interest Rate

Rupee Loan carries interest ranging from 8.20% to 9.00% (Previous Year 8.7% to 9.00%.) Export Bill Discounting Facility (Pre And Post Shipment) carries interest Nil (Previous Year - Nil)

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 15 Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Outstanding due of Micro and Small Enterprises (Refer Note 28(d))	215.61	148.80
Outstanding due of Creditors other than Micro and Small Enterprises	5,350.41	5,162.84
<b>Total</b>	<b>5,566.02</b>	<b>5,311.64</b>

## Note 16 Provisions

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits (Refer Note 28(g))	443.65	323.56
<b>Total</b>	<b>443.65</b>	<b>323.56</b>

## Note 17 Revenue from Operations

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Sale Of Products	1,01,052.21	1,10,757.13
Other Operating Revenues:		
Export Incentives	1,786.58	1,978.35
Scrap Sales	48.60	56.88
<b>Revenue from operations</b>	<b>1,02,887.39</b>	<b>1,12,792.36</b>

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. (Refer Note 28(c))

Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Gross Sales (Contracted Price)	1,05,247.53	1,15,547.07
Reductions towards variable consideration (Turnover discount, Other Expenses)	(4,195.32)	(4,789.94)
<b>Revenue recognised</b>	<b>1,01,052.21</b>	<b>1,10,757.13</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 18 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest Income	239.27	140.56
Dividend Income from Current Investment	713.00	469.39
Net gain on sale of Investments classified as FVTPL	190.80	-
Net gains on fair value changes on financial assets classified as FVTPL	442.30	229.60
Gain on Foreign Exchange Translations	2,049.26	2,053.06
Other Non-Operating Income;		
Miscellaneous Income	864.29	124.49
<b>Total</b>	<b>4,498.92</b>	<b>3,017.10</b>

## Note 19 Cost of Materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening Stock of Raw Materials	3,303.38	3,533.14
Purchases during the year	42,606.72	52,629.21
Closing Stock of Raw Materials	(2,760.42)	(3,303.38)
<b>Total</b>	<b>43,149.68</b>	<b>52,858.97</b>

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Closing Stock:		
Finished Goods	1,537.21	1,559.99
Work-in-Progress	1,063.69	761.50
	<b>2,600.90</b>	<b>2,321.49</b>
Less: Opening Stock:		
Finished Goods	1,559.99	979.86
Work-in-Progress	761.50	992.55
	<b>2,321.49</b>	<b>1,972.41</b>
<b>Total</b>	<b>(279.41)</b>	<b>(349.08)</b>



# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 21 Employee Benefits Expense

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Salaries and Wages	5,736.01	4,842.13
Contribution to provident, gratuity and other funds	514.27	429.56
Staff welfare expenses	177.42	148.35
<b>Total</b>	<b>6,427.70</b>	<b>5,420.04</b>

## Note 22 Finance Costs

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Interest on Working Capital Facilities	96.92	83.12
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	12.30	11.28
	<b>109.22</b>	<b>94.40</b>

## Note 23 Depreciation and Amortisation expense

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on Property, Plant And Equipment	3,222.51	2,637.58
Amortisation on Intangible Assets	93.54	100.98
	<b>3,316.05</b>	<b>2,738.56</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## Note 24 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Stores and Spares Consumed	3,129.80	3,238.17
Power and Fuel	5,014.90	5,443.88
Processing Expenses	1,379.61	1,164.71
Rent	13.70	14.77
Rates and Taxes	92.95	85.03
Insurance	264.60	168.88
Printing and Stationery	25.18	24.98
Water Charges	243.72	191.92
Repairs and Renewals:		
Buildings	131.31	210.67
Plant and Machinery	313.66	331.19
Other Assets	87.22	74.20
Travelling and Conveyance	211.12	185.44
Communication Expenses	27.16	25.78
Corporate Social Responsibility Expenses	366.96	280.20
Vehicle Expenses	57.30	68.52
Auditors' Remuneration:		
As Auditors:		
Audit fee	6.50	6.50
Other Services	1.50	2.00
	<b>8.00</b>	<b>8.50</b>
Cost Auditors Remuneration:		
Audit fee	0.60	0.60
Directors' Fees	11.25	10.50
Directors' Travelling Expenses	19.44	14.14
Security Expenses	130.90	110.14
Commission	200.34	249.63
Loss on sale of Investments	-	36.68
Bank Charges	94.38	123.42
Miscellaneous Expenses	371.71	460.54
	<b>12,195.81</b>	<b>12,522.49</b>

# Notes to the Financial Statements for the year ended 31st March 2020

## Note 25

### A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

As at 31st March, 2020, 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.

#### i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans and borrowings, investments and foreign currency receivables, payables and borrowings.

#### Interest Rate Risks

The Company borrows funds in Indian Rupees to meet short term funding requirements. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2020 would have been decreased/increased by ₹ 0.35 Lakhs. (PY 2018-19 : ₹3.68 Lakhs)

#### Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures :		Amount (In Million)		(Rupees in Lakhs)	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
Financial Assets	USD	13.50	26.00	10,166.94	17,978.48
	EURO	1.19	1.52	983.09	1,180.50
Financial Liabilities	USD	1.82	3.76	1,376.61	2,603.15
	EURO	0.03	0.08	27.79	64.28
Net exposure	USD	11.68	22.23	8,790.33	15,375.33
	EURO	1.15	1.44	955.30	1,116.22

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 ₹ 87.90 Lakhs (Previous Year - 153.75 Lakhs)

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

# Notes to the Financial Statements

for the year ended 31st March 2020

## Derivatives - Forward Contracts

The Company enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of firm commitments. The derivative that is either not designated as hedge or is so designated but is ineffective is categorised as a financial asset or liability at fair value through Profit or Loss.

The outstanding position and exposures are as under :

Particulars	Currency	Amount (In Million)	Rupees Lakhs	Nature	Cross Currency
Forward Contract	USD	6.90	5,259.33	Export Sales	INR

## Price Risks

More than two-third of the Company's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Company's investments in Unquoted Securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The company manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31st March 2020 the investments in mutual funds/Debt Instruments amounts to ₹22,739.47 Lakhs (PY 2018-19 : ₹9647.34 Lakhs). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional ₹227.39 Lakhs (PY 2018-19 : ₹96.47 Lakhs) on either side in the statement of profit and loss.

## ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Debt Funds and Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks. Investments in mutual funds are primarily debt funds, which have high safety ratings and are monitored on a monthly basis and the Company is of the opinion that its investments in mutual funds and debt securities have low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also has an external credit risk insurance cover with ECGC Policy. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2020 is 0.06% of the total trade receivables. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

# Notes to the Financial Statements

for the year ended 31st March 2020

## iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit/Debt Mutual Funds which carry low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

### Exposure to liquidity risk:

(₹ in Lakhs)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	14	34.65			
		(368.26)			
Trade Payable	15	5,566.02			
		(5,311.64)			
Other Non Current Financial Liabilities	11		24.72		
		-	(25.29)		
Employee Benefit/ Expense liabilities	11	46.55			
		(568.31)			
Unclaimed dividends	11	263.57			
		(193.35)			

Figures in brackets are in respect of Previous year

## Note 26 Fair Values and Hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakhs)

Particulars	Hierarchy	Carrying Value		Fair Value	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Financial Assets					
- Investments	Level One	22,297.17	9,417.74	22,739.47	9,647.34
- Other Assets	Level Three	325.24	341.96	311.81	316.23

# Notes to the Financial Statements

for the year ended 31st March 2020

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Investments in Mutual Funds and Debt Securities are based on NAV at the reporting date.
2. Non current financial assets measured at amortised cost - Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
3. The Company enters into Derivative financial instruments with counterparties principally with Banks with investment grade credit ratings. The foreign exchange forward contracts are valued using valuation techniques which employs the use of market observable inputs namely, Marked-to-Market.

## NOTE 27 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
<b>Accounting Profit before Income Tax</b>	<b>42,467.26</b>	<b>42,524.08</b>
At statutory income tax rate of 25.168% (31 March 2019: 34.944%%)	10,688.16	14,859.61
Additional deduction on Research and Development expense	-	-
Effect of exempt income	(1,241.95)	(1,209.36)
Effect of non-deductible expenses	100.69	211.83
Others	12.62	(0.35)
<b>Total</b>	<b>9,559.51</b>	<b>13,861.73</b>

## Note 28 Additional/Explanatory Information

### a) Earnings Per Share

		(₹ in Lakhs)	
Particulars		Year ended 31st March 2020	Year ended 31st March 2019
Profit after taxation	₹ Lakhs	33,382.48	28,248.84
Weighted Average Number of equity shares (Face Value ₹1/-)	Nos.	10,27,82,050	10,27,82,050
Earnings per share	₹	32.48	27.48

- 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 ₹ 2.18 Lakhs/- (previous year ₹ 3.25 Lakhs/-).

# Notes to the Financial Statements

for the year ended 31st March 2020

## c) Disclosures under Ind AS 108 - "Operating Segment" - (Refer Note below)

### (i) Entity wide disclosure required by Ind AS 108 are as detailed below:

(₹ in Lakhs)		
Particulars	2019-20	2018-19
Speciality Chemicals	99,616.88	92,064.17
Others	1,435.33	18,692.96
	<b>1,01,052.21</b>	<b>1,10,757.13</b>

### (ii) Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(₹ in Lakhs)		
Particulars	2019-20	2018-19
Revenue from External Customers:		
India	26,354.29	29,501.37
Outside India	74,697.92	81,255.76
	<b>1,01,052.21</b>	<b>1,10,757.13</b>
Non-current assets (other than financial instruments)		
India	79,729.11	69,333.80
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 interalia in the manufacture of Chemicals. These in the context of Ind AS 108 "Operating Segment" is considered to constitute one single primary segment.

## d) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors:

(₹ in Lakhs)		
Particular	As at 31st March 2020	As at 31st March 2019
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	215.61	148.80

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative intrest are not applicable, being NIL.



# Notes to the Financial Statements

for the year ended 31st March 2020

- 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 Lakhs)	
	2019-20	2018-19
Gross amount required to be spent by the Company	555.50	396.44
Amount spent by the Company during the year on purpose other than construction/ acquisition of assets	366.96	280.20

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

**(a) Names of other related parties and nature of relationship:**

Key Management Personnel:	i) Mr. Vinod Saraf - Chairman ii) Mrs. Vinati Saraf Mutreja - Managing Director and CEO iii) Mrs. Viral Saraf Mittal - Director - CSR vi) N. K. Goyal - Chief Financial Officer (CFO) v) Milind Wagh - Company Secretary
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 ii) Suchir Chemicals Private Ltd. iii) Veeral Additives Pvt. Ltd.
Other Related Parties	i) Vinati Oragnics Limited - Group Gratuity Trust ii) Mrs. Kavita Vinod Saraf Foundation

**(b) Transactions with related parties (excluding reimbursements)**

**Nature of Transactions**

Particulars	(₹ in Lakhs)			
	Year Ended 31-Mar-20	Closing balance as on 31-Mar 20	Year Ended 31-Mar-19	Closing balance as on 31-Mar 19
i) Key Management Personnel:				
Managerial Remuneration *				
Directors	332.12	-	302.23	-
CFO	72.90	-	64.34	-
Company Secretary	27.89	-	27.47	-
Dividend paid during the year				
Vinod Saraf	1,181.55	-	312.76	-
Vinati Saraf Mutreja	102.90	-	27.24	-
Viral Saraf Mittal	88.60	-	23.45	-

# Notes to the Financial Statements

for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-20	Closing balance as on 31-Mar 20	Year Ended 31-Mar-19	Closing balance as on 31-Mar 19
ii) Relatives of Key Management Personnel:				
Sitting Fees				
Mr. Sunil Saraf	1.50	-	1.25	-
Mr. Mohit Mutreja	-	-	0.25	-
Dividend paid during the year				
Kavita Saraf	1,055.23	-	279.33	-
iii) Enterprise owned or significantly influenced by any management personnel or their relatives				
Sales - Viral Alkalis Ltd	17.27	-	124.94	-
Purchase - Viral Alkalis Ltd	408.83	34.27	344.03	-
Sale of Machinery - Viral Alkalis Ltd	20.66	-	-	-
Rent of Immovable property-Viral Alkalis Ltd	6.30	-	0.25	-
Sales - Veeral Additives Pvt.Ltd.	33.32	30.89	-	-
Purchase - Veeral Additives Pvt.Ltd.	14.85	-	-	-
Rent of Immovable property- Veeral Additives Pvt.Ltd.	4.80	1.60	-	-
Dividend Payment - Suchir Chemicals Private Ltd	4,037.53	-	1,068.76	-
iv) Other Related Parties				
Contributions paid	91.30		-	
Contributions payable		164.58		91.30
CSR paid	201.00		-	

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

- v) Managing Director of the Company has given personal guarantee in respect of Cash Credit facility taken from Bank (Refer Note 14)

## c) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: ₹ 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 the Financial Statements

for the year ended 31st March 2020

## 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	(₹ in Lakhs)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
i) Employer's contribution to Provident Fund and Family Pension Fund*	355.09	299.05

\*Included in "Contribution to Provident and other Funds" (Note 21)..

Particulars	(₹ in Lakhs)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
ii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	163.71	128.16

iii) The valuation results for the defined benefit gratuity plan as at 31-3-2020 are produced in the tables below:

### i) Changes in the Present Value of Obligation

Particulars	(₹ in Lakhs)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Present Value of Obligation as at the beginning</b>	<b>1,009.49</b>	<b>879.48</b>
Current Service Cost	111.52	90.12
Interest Expense or Cost	63.84	65.44
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(55.19)	5.91
- experience variance (i.e. Actual experience vs assumptions)	120.15	(21.34)
- change in demographic Assumptions	0.00	12.81
Benefits Paid	(30.16)	(22.93)
<b>Present Value of Obligation as at the end</b>	<b>1,219.65</b>	<b>1,009.49</b>

### ii) Changes in the Fair Value of Plan Assets

Particulars	(₹ in Lakhs)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Fair Value of Plan Assets as at the beginning</b>	<b>918.19</b>	<b>821.71</b>
Investment Income	60.91	63.27
Adjustment to opening Fair Value of Plan Asset		0.16
Return on Plan Assets excluding interest income	14.82	(1.79)
Employer's Contribution	91.30	57.77
Benefits Paid	(30.16)	(22.93)
<b>Fair Value of Plan Assets as at the end</b>	<b>1,055.06</b>	<b>918.19</b>

# Notes to the Financial Statements

for the year ended 31st March 2020

## iii) Expenses Recognised in the Income Statement

Particulars	(₹ in Lakhs)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Current Service Cost	111.52	90.12
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.93	2.17
<b>Expenses Recognised in the Income Statement</b>	<b>114.45</b>	<b>92.29</b>

## iv) Other Comprehensive Income

Particulars	(₹ in Lakhs)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Actuarial (gains) / losses		
- change in financial assumptions	(55.19)	5.90
- experience variance (i.e. Actual experience vs assumptions)	120.15	(21.34)
- change in demographic Assumptions	0.00	12.81
Return on Plan Assets excluding interest income	(14.82)	1.63
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>50.14</b>	<b>(1.00)</b>

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

Particulars	(Vinati Organics Limited group gratuity cash accumulation trust)	
	Year Ended 31 March 2020	Year Ended 31 March 2019
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	As on	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Discount rate (per annum)	6.42%	7.54%
Salary growth rate (per annum)	6.00%	8.00%

# Notes to the Financial Statements

for the year ended 31st March 2020

## b. Demographic Assumptions

Particulars	As on	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 42 years	5.00%	5.00%

## vii) Amount, Timing and Uncertainty of Future Cash Flows

### a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particular	(₹ in Lakhs)	
	As on 31 March 2020	As on 31 March 2019
Defined Benefit Obligation (Base)	1,219.65	1,009.49

Particulars	(₹ in Lakhs)		(₹ in Lakhs)	
	As on 31 March 2020		As on 31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	94.29	(83.30)	1,087.81	938.59
(% change compared to base due to sensitivity)	-92.27%	-106.83%	7.76%	-7.02%
Salary Growth Rate (- / + 1%)	(73.87)	80.84	947.72	1,074.94
(% change compared to base due to sensitivity)	-106.06%	-93.37%	-6.12%	6.48%
Attrition Rate (- / + 50%)	(0.54)	0.55	1,012.04	1,005.33
(% change compared to base due to sensitivity)	-100.04%	-99.95%	0.25%	-0.41%

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.

# Notes to the Financial Statements

for the year ended 31st March 2020

## b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

## c. Effect of Plan on Entity's Future Cash Flows

### - Funding arrangements and Funding Policy

The scheme is managed on funded basis.

### - Expected Contribution during the next annual reporting period

	(Rupees in Lakhs)
The Company's best estimate of Contribution during the next year	137.62
<b>- Maturity Profile of Defined Benefit Obligation</b>	
Weighted average duration (based on discounted cash flows)	9.59 Years
<b>- Expected cash flows over the next (valued on undiscounted basis):</b>	
1 year	123.94
2 to 5 years	347.62
6 to 10 years	601.93
Above 10 Years	1,052.22

## vii) Movement of Liability : Employee Benefit

Particulars	(₹ in Lakhs) (Rupees in Lakhs)
Opening balance	323.56
Add : Provision for the year	328.29
Less : Paid during the year	(208.20)
Closing Balance	443.65

## h) Commitment

- (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 4345.58 Lakhs (Previous Year ₹ 11036.95 Lakhs)

## i) Contingent Liabilities not provided for:

- (i) Bank Guarantees - ₹ 865.34 Lakhs (Previous Year - ₹ 1181.74 Lakhs)
- (ii) Letters of Credit issued by the Banks - ₹ 2444.21 Lakhs (Previous Year - ₹ 1018.75 Lakhs)
- (iii) Claims not acknowledged as debts:
- (a) Disputed Excise/Customs Duty/Service tax demands pending before the Appellate Authorities/High Court - ₹ 49.32 Lakhs (Previous Year ₹ 87.61 Lakhs) against which payment of ₹ 1.88 Lakhs (Previous Year ₹ 11.95 Lakhs) has been made.
- (b) Disputed Income Tax Demands - ₹ 3.48 Lakhs ((Previous Year ₹ 3.48 Lakhs)
- (c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of ₹ 23.25 Lakhs (Previous Year ₹ 23.25 Lakhs). The Company had filed the Appeal to The Collector of Raigad, Alibag and hopeful for the demand likely to be waived off against which payment of ₹ 6.99 Lakhs (Previous Year - ₹ 6.99 Lakhs) has been made.

# Notes to the Financial Statements

for the year ended 31st March 2020

- (d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 ₹ 14.39 Lakhs (Previous Year ₹14.39 Lakhs). The Company requested MIDC to waive the DPC and hopeful to be waived off.
- (e) The Company on the Balance Sheet date has reviewed all its pending litigations and proceedings with Tax Authorities. Pending demand raised by the authorities, the company has made adequate provisions and made payment of ₹ 10 Crore for earlier years tax liabilities. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.
- j) The plant operations of the Company were under shutdown due to nationwide lockdown from 22nd March, 2020 to 10th April, 2020. In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has assessed the recoverability of its assets including receivables & inventories. In such assessment, the Company has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Management continues to monitor the impact that the COVID-19 pandemic is having on the Company, the specialty chemical industry and the economies in which the Company operates.
- k) The Company has decided to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly the provision for income tax and deferred tax balances have been recorded/remeasured using the new tax rate and the resultant impact is recognised in the current year Statement of Profit and Loss. Pursuant to the selection of this option, the Company has reversed deferred tax liabilities amounting to ₹ 2365.35 Lakhs due to reduction in corporate tax rate.
- l) Events Occuring after the Balance Sheet date**
- The proposed final dividend for FY 2019-20 amounting to ₹ 513.91 Lakhs (PY 2018-19 : ₹ 3597.37) will be recognised as distribution to owners during the financial year 2020-21 on its approval by Shareholders. The proposed final dividend per share amounts to ₹ 0.5 (PY 2018-19 : ₹ 7)
- m) The figures for the corresponding previous year have been regrouped and/or rearranged wherever considered necessary.

## For M.M.Nissim & Co

Chartered Accountants  
Firm Reg.No. 1107122W

For and on behalf of Board of Directors

## Millind Wagh

Company Secretary

## Vinod Saraf

Chairman  
DIN: 00076708

## N.Kashinath

Partner  
Mem.No.036490

## Nand Kishor Goyal

Chief Financial Officer

## Vinati Saraf Mutreja

Managing Director & CEO  
DIN: 00079184

Mumbai, Dated 13th June, 2020



# Notice

NOTICE is hereby given that the THIRTYFIRST Annual General Meeting of The Members of VINATI ORGANICS LIMITED (the "Company") will be held on Saturday, 26<sup>th</sup> day of September, 2020 at 11 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020 and Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the schedules and notes attached thereto, along with the Reports of Directors' and Auditors' thereon.
2. To Confirm the Payment of Interim Dividend on Equity Shares and declare a Final Dividend of ₹50 paisa on the per equity share of face value of ₹1 each for the financial year 2019 – 20.
3. To appoint a Director in place of Ms. Vinati Saraf Mutreja (holding DIN: 00079184) who retires by rotation at this meeting and being eligible, offers herself for reappointment.

## SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**: -

**"RESOLVED THAT** in accordance with the provisions of Section 148(3) of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Act, the Company hereby ratifies the remuneration of ₹ 60,000/- (Rupees Sixty Thousands only) plus out-of-pocket expenses if any, payable to M/s. N. Ritesh & Associates., Cost Accountants (Firm's Registration No. 100675) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year 2020 – 21."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**An appointment/continuation of employment of and payment of remuneration to Shri Vinod Saraf as Whole-time Director, designated as "Executive Chairman":**

**"RESOLVED THAT** in the modification of the previous resolution no. 5 passed by the members of the Company in the 30<sup>th</sup> Annual General meeting held on July 27, 2019 in this regard and in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 read with relevant Rules made there under and subject to due compliance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded for the appointment and continuation of employment of Mr. Vinod Saraf (DIN: 00076708) as Chairman and Whole-Time Director, designated as "Executive Chairman" of the Company, who attained the age of seventy years, for the same tenure i.e. from October 27, 2018 to October 26, 2023 and on the same terms and conditions including remuneration as set out in the Statement annexed to the this Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment/continuation of employment and / or remuneration as it may deem fit, as approved by the members in the 30<sup>th</sup> Annual General Meeting held on July 27, 2019 and his office as director is not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds and take all such steps as may be necessary, proper or expedient to execute and give effect to this resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**: -

An appointment of Shri Jagdish Chandra Laddha as an Independent Director:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Jagdish Chandra Laddha (DIN: 00118527), who was appointed as an Additional Director with effect from June 13, 2020 by the Board of Directors of the Company base

on the recommendation of Nomination and Remuneration Committee pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of Five (5) years;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to and execute this resolution."

By order of the Board of Directors

**Registered Office:**

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

Mumbai, 1<sup>st</sup> August 2020

**Milind A Wagh**

Company Secretary

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 31<sup>st</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 31<sup>st</sup> AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/

Authorization shall be sent to the Scrutinizer by email through its registered email address to [vkmassociates@yahoo.com](mailto:vkmassociates@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 19<sup>th</sup> Day of September, 2020 to Saturday, the 26<sup>th</sup> day of September, 2020 (both days inclusive). Members are requested to intimate to the Corporate Office situated at Parinee Crescenzo, 1102, A Wing, 11<sup>th</sup> 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.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

4. 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, 11<sup>th</sup> Floor, "G" Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra.

5. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of Item Nos. 4 to 6 mentioned in the above Notice is annexed hereto.
6. The details of the directors seeking appointment/reappointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto. The Board of Directors recommend all the appointments / re-appointments as proposed.
7. **Dispatch of Annual Report through Electronic Mode:**

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.vinatiorganics.com](http://www.vinatiorganics.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

#### 8. Registrars and Transfer Agents:

The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 as the Registrars and Transfer Agents ("R&TA") for all aspects of investor servicing relating to shares.

9. 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.

10. The interim dividend for Financial Year (FY) 2019 – 20 at ₹5 per share on equity shares capital of the Company has been paid on March 18, 2020. Further, Final Dividend on the Equity Share as recommended by the Board of Directors 50% on the share capital of the Company i.e. ₹0.50 per Equity Share of face value of ₹1/- each for the FY ended 31<sup>st</sup> March 2020, if declared at the meeting, will be made payable on September 30, 2020 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 September 19, 2020 or those, whose names appear as beneficial owners as on September 19, 2020 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 in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the date it became first due and duly transferred to IEPF Fund for payment and the concern shareholder could approach IEPF Authority to release of any such unclaimed dividend.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [support@sharexindia.com](mailto:support@sharexindia.com) by 11:59 p.m. IST on September 19, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [support@sharexindia.com](mailto:support@sharexindia.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on September 19, 2020

11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of

portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Sharex Dynamic India Pvt. Ltd. for assistance in this regard.

12. Notice is being issued pursuant to the provisions of the Investor Education and protection fund Authority (Accounting, Audit, Transfer and refund) rules, 2016 ("the IEPF Rules") and any statutory amendments, modification etc. made and the notifications, circulars issued thereunder for the time being in force.

As per the said 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") Authority.

Adhering to various requirements set out in the IEPF Rules, the company has communicated individually to the shareholders whose shares are liable to be transferred to IEPF. Also, complete details of such shareholders has been uploaded on the Company's website at [www.vinatiorganics.com](http://www.vinatiorganics.com).

Shareholders must note that both the unclaimed dividend and shares transferred to IEPF Authority including all benefits on such shares, if any can be claimed back by them from IEPF authority after following the due procedure prescribed under these rules.

As the Company did not receive any communication from the concerned shareholders by 05.09.2019, the Company with a view to adhering with the requirements of the Rules, transferred the shares to the IEPF suspense account by the due date as per the procedure set out in the Rules transferred 41900 equity shares to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs on 04.10.2019 the details of shares transferred are as under:

Shares held in :	Number of records	Number of shares (Quantity)
CDSL	-	-
NSDL	3	1650
Physical	40	40250
<b>TOTAL</b>	<b>43</b>	<b>41900</b>

For any queries on the above matter, shareholders are requested to contact the Company's Registrar and Share Transfer Agents: M/s. Sharex Dynamic India Pvt. Ltd. Unit: Vinati Organics Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083 Phone: 022- 28515606/5644, Email: [support@sharexindia.com](mailto:support@sharexindia.com).

13. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2012-2013, which remain unpaid or unclaimed for a period of 7 years and the dividends to be declared for the subsequent years, if any, will be transferred to the IEPF Fund. Shareholders who have so far not encashed/claimed the dividend warrant(s) for the financial year 2012-2013 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 06.09.2020, 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.

14. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated 23<sup>rd</sup> July, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend.

Pursuant to the said IEPF Rules, the Company has uploaded the details of unpaid and unclaimed dividend on its website at [www.vinatiorganics.com](http://www.vinatiorganics.com).

Further, the 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.

15. a) Members are advised to avail of the facility for receipt of dividend through Electronic Clearing Service (ECS). The ECS facility is available at specified locations. Members holding shares in electronic form are requested to contact their respective DPs for availing ECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz. [www.vinatiorganics.com](http://www.vinatiorganics.com) and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company or to its R&TA.
- (b) Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.
- (c) The Securities and Exchange Board of India (SEBI) vide its Circular dated 21<sup>st</sup> 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

#### 16. 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.

#### 17. 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.

18. Accordingly, at the ensuing Annual General Meeting, Ms. Vinati Saraf Mutreja, DIN no. 00079184 retiring by rotation and being eligible offer herself for re-appointment. The information or details pertaining to the Director to be provided in terms of applicable Regulations of the Listing Regulations read with Secretarial Standards on General Meetings is furnished in the statement on Corporate Governance published in this Annual Report.

#### Details of Director seeking re-appointment:

Particulars	Ms. Vinati Saraf Mutreja
Date of Birth	03.05.1984
Date of Appointment	20.05.2006
Qualifications	Bachelors in Economics, Finance from the Wharton School and Bachelors in Applied Science, Biotech and Pharmaceutical Development from the School of Engineering and Applied Sciences.
Directorships held in other public Company	Viral Alkalis Limited
Memberships / Chairman of committees of other public companies	N/A

Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja and Ms. Viral Saraf Mittal are interested in the appointment of Ms. Vinati Saraf Mutreja.

19. The Annual Report of the Company for the Financial Year 2019–2020, circulated to the Members of the Company, is available on the Company's website viz. [www.vinatiorganics.com](http://www.vinatiorganics.com). The Company does not have Subsidiary Company.
20. 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.
21. MCA, Government of India, through its Circulars Nos. 17/2011 dated 21<sup>st</sup> April, 2011 and 18/2011 dated 29<sup>th</sup> 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.
22. A recent amendment to the SEBI Listing Regulations also permits sending the aforesaid documents through electronic mode to Members who have registered their email address with the Company for this purpose.

- 23.** The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA. A 'Green Initiative' Form can be downloaded from the Company's website viz. [www.vinatiorganics.com](http://www.vinatiorganics.com) to register the email id.
- 24.** 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 31<sup>st</sup> 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 National Securities Depository Limited (NSDL).
- The Members who have cast their vote by remote e-voting prior to the 31<sup>st</sup> AGM may also attend/ participate in the 31<sup>st</sup> AGM through VC / OAVM 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.
- 25.** Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
- 26.** The Listing Fees for the year 2020-21 have been paid by the Company to BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.
- 27.** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them.
- Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://www.vinatiorganics.com>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Sharex Dynamic (India) Pvt. Ltd. (Company's RTA) in case the shares are held in physical form.
- 28.** Since the 31<sup>st</sup> AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- 29.** The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vinatiorganics.com](http://www.vinatiorganics.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**Registered Office:**

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

Mumbai, 1<sup>st</sup> August 2020

By order of the Board of Directors

**Milind A Wagh**  
Company Secretary



## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos. 4 to 6.

### Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2021.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way concerned or interested, in the said resolution as set out at the Item No. 4 of the Notice for approval by the members.

The Board recommends this Ordinary Resolution as set out at Item No. 4 of the accompanying Notice for approval by the members.

### Item No. 5

**An appointment/continuation of employment of and payment of remuneration to Shri Vinod Saraf as Whole-time Director, designated as "Executive Chairman":**

Shri Vinod Saraf has been appointed as Executive Chairman of the Company for a period from October 27, 2018 till October 26, 2023 on the terms and conditions and remuneration approved by ordinary resolution by the members at the 30<sup>th</sup> Annual General Meeting (hereinafter "30<sup>th</sup> AGM") of the Company held on July 27, 2019.

Shri Saraf has attained an age of 70 years on June 16, 2020. Shri Saraf is a founder and promoter of your Company and has rich and varied experience in the industry and has been involved in the operations and management of the Company since inception. It would be in the interest of the Company to continue to avail of his considerable expertise and to continue the employment of Shri Saraf as a Whole-time Director, designated as "Executive Chairman". Accordingly, pursuant to sub-section (3) of Section

196, Sections 197, 198 read with Schedule V of the Companies Act, 2013 and the relevant Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an approval of the members is sought for passing a Special Resolution for the continuation of an employment of Shri Vinod Saraf as a Whole-time Director, designated as "Executive Chairman", for the same tenure i.e. from October 27, 2018 to October 26, 2023 and on the same terms and conditions including remuneration, as approved by the members in the 30<sup>th</sup> AGM held on July 27, 2019, the extract of the same given herein below for ready reference, and an agreement entered into by and between the Company and Shri Saraf dated 27/10/2018 pursuant to said approval by the members at the 30<sup>th</sup> AGM.

Extract of terms and conditions including remuneration, as approved by the members in the 30<sup>th</sup> AGM held on July 27, 2019:

Basic salary: ₹805000/- (Rupees Eight Lakhs Five Thousand only) per month plus perquisites as under;

#### PERQUISITES:

i) **HOUSE:** - In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation, shall not exceed 60% of the salary, over and above 10% payable by Executive Chairman if posted in Mumbai, Kolkata, Delhi or Chennai or 50% if posted at any other place.

OR

**HOUSE RENT ALLOWANCE:** - @ 30% of the salary.

ii) **MEDICAL REIMBURSEMENT:** - Expenses incurred by the Executive Chairman and his family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

iii) **LEAVE TRAVEL CONCESSION:** - Reimbursement of expenses incurred for the Executive Chairman and his family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.

iv) **CLUB FEES:** - Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

v) **GAS & ELECTRICITY CHARGES:** - Reimbursement of Gas & Electricity Charges incurred.

vi) **PROVIDENT FUND:** - Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.

- vii) GRATUITY:-** It shall not exceed half a month's salary for each completed year of service.
- viii) COMPANY CAR AND TELEPHONE:** - Provision of Car for use of company's business and telephone at residence. Use of car and telephone for private purpose will be billed to him.
- ix) PERSONAL ACCIDENT INSURANCE:** - Premium not to exceed ₹5,000/- per annum.
- x) LEAVE AND LEAVE ENCASHMENT:** - As per Company's rule and regulation applicable to the Senior Executives of the Company.
- xi)** There will be 10% increase from 1<sup>st</sup> April every year in salary and perquisites.

Further compliance to the provisions of Regulation 17(1B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, effective from April 1, 2022, the Company shall ensure that the Chairperson of the Board shall be a Non-Executive Director and shall not be related to the Managing Director or the Chief Executive Officer of the Company.

A brief profile along with other details of Shri Vinod Saraf in compliance with Schedule V of the Companies Act, 2013 are provided below:

Mr. Vinod Saraf, a Founder and Promoter of Vinati Organics Ltd. (the "Company"), has been associated with it for over three decades. During his tenure as Executive Chairman he played a key role in the Company's rise to its pre-eminent position, and its presence in the whole Chemical Industry, boosting employee morale and focusing on delivering superior value to stakeholders

He has been able to develop a strong management team who work on formulation of strategy, expansion plan and other management policies under his able guidance. With his untiring efforts, focused attention and diligent work, he has been able to remain in touch with the management team on day to day basis.

Disclosure as required under Secretarial Standard 2 on General Meetings read with SEBI (LODR) Regulations, 2015 are provided as an Annexure to the Notice.

The agreement entered into by the Company with Mr. Vinod Saraf, in respect of his appointment as Executive Chairman, contains the terms and conditions of his appointment including remuneration.

Pursuant to Clause C of Part I read with Part III of Schedule V of the Companies Act, 2013, the Board recommends passing of Special Resolution at Item Nos. 5 for appointment/continuation of appointment and remuneration of Mr. Vinod Saraf as Chairman and Whole-Time Director, designated as "Executive Chairman", not liable to retire by rotation.

Shri Vinod Saraf, the "Executive Chairman" of the Company, being the appointee, Ms. Vinati Saraf Mutreja, MD & CEO and

Ms. Viral Saraf Mittal, Director – CSR, being daughters of Shri Vinod Saraf and Shri Sunil Saraf, being younger brother, of Shri Vinod Saraf, and his relatives to the extent of their shareholding interest, if any, in the Company, are / may be deemed to be interested in the resolution set out at Item No. 5 of the Notice.

Save and except the above, no other Director(s) and or the Key Managerial Personnel of the Company and their relatives are any way, financially or otherwise, interested in the resolution.

An agreement entered into by and between the Company and Shri. Vinod Saraf dated 27/10/2018 will be open for inspection by members at the Registered Office of the Company on all working days between 11.00 a.m. and 4.00 p.m. up to the date of the 31<sup>st</sup> Annual General Meeting.

This explanatory statement together with the accompanying Notice is and should be treated as an abstract of the terms of appointment of Shri. Vinod Saraf, as the Whole-time Director, designated as the "Executive Chairman" of the Company under the first proviso of sub-section (4) of Section 196 read with Section 190 of the Companies Act, 2013.

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment of Mr. Vinod Saraf as Executive Chairman of the Company

#### General Information:

- Nature of Industry:** Chemical Industry
- Date of commencement of Commercial Production:** The Company started its commercial production in the year 1992-93.
- In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus:** N. A.
- Financial Performance based on given indicators:**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Turnover	102887.39	112792.36
Profit Before tax	42467.26	42524.08
Profit After Tax	33344.97	28249.49

- Foreign Investments or Collaborations, if any:** NIL

#### II. Information about the appointee:

- Background details:** Mr. Vinod Saraf is a Management graduate from BITS.

Mr. Vinod Saraf is the founder and promoter of Vinati Organics Ltd. and having a rich experience of more than 50 years in varied industrial and manufacturing concern i.e. Bhilwara Group, Modern Syntex (I) Ltd. and Grasim



Industries Ltd. As Vice President of Chemicals division of Grasim industries he was responsible for identification of chemical/petrochemical projects, technical tie-up and feasibility studies etc. During this period he was involved in the implementation of the gas based sponge iron project of Grasim. Subsequently he was nominated as "Managing Director (Finance and Administration)" on the Board of Directors of Mangalore Refinery & Petrochemicals Ltd.

Mr. Saraf has set up an industrial concern named Vinati Organics Ltd. in the year 1989. With his robust leadership and effective management style the Company's revenue has grown exponentially to ₹1108 Crore in FY 2018-19.

2. **Past remuneration:** Mr. Saraf drew an aggregate remuneration of ₹ 114.66 Lakhs, ₹ 125.96 Lakhs and ₹138.60 lakhs by way of Salary, Perquisites, Commission, retention bonus etc. in the previous immediate three Financial Years i.e. 2016-17, 2017-18 and 2018-19 respectively from Vinati Organics Ltd.
3. **Recognition or award:** the Company have received "Most Promising Company of the Year" award by CNBC, TV 18 – India Business Leader Awards during the year FY 2019-20.
4. **Job Profile and his suitability:** Mr. Saraf is the Executive Chairman and in-charge of the operations of the Company. Looking at the overall exposure and experience of Mr. Saraf in diversified areas and responsibilities to be shouldered by him, he is suitable for the position.
5. **Remuneration proposed:** As mentioned in Explanatory Statement.
6. **Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of his origin):** Considering the size of the Company, the industry benchmarks, experience of and the responsibilities shouldered by the appointee, the proposed remuneration payable to Mr. Saraf is commensurate with the remuneration paid to similar appointee in other companies.
7. **Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration, promoter shareholder of the Company and being father of Ms. Vinati Saraf Mutreja, MD & CEO and Ms. Viral Saraf Mittal, Director - CSR and brother of Mr. Sunil Saraf, Non-Executive Director, Mr.

Vinod Saraf does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel or Key Managerial Personnel (KMP) of the Company

### III. Other information:

Reasons for inadequacy of profits	Not Applicable
Steps taken or proposed to be taken for improvement	Not Applicable
Expected increase in productivity and profits in measurable terms	Not Applicable

Particulars of the Directors seeking appointment/re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 (SS-2)

### Item No. 6:

Pursuant to Section 149, 152, 161 and Schedule IV of the Companies Act, 2013 and rules made thereunder and based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on June 13, 2020 has appointed Mr. Jagdish Chandra Laddha (DIN 00118527) as an Additional Director - Independent & Non-Executive Director of the Company with effect from June 13, 2020 for a period of 5 (Five) consecutive years, not liable to retire by rotation, subject to the approval of the shareholders at the ensuing Annual General Meeting. Mr. J. C. Laddha is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of Companies Act, 2013 and applicable regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director. Accordingly, pursuant to Section 149 and Schedule IV of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification or re-enactment thereof), the Board recommends the resolution in relation to appointment of Mr. J. C. Laddha (DIN 00118527) as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years

with effect from June 13, 2020 and shall not be liable to retire by rotation. Mr. J. C. Laddha (DIN 00118527) will not be entitled for any remuneration except sitting fees for attending board meetings/committee meetings.

Brief profile of Mr. J. C. Laddha as follows;

Mr. J. C. Laddha is a fellow Chartered Accountant, having a rich experience of 44 years in Textiles. In the last 42 years he worked on different positions in RSWM. He was Executive Director on RSWM Board since 1990 and retired on March 31, 2015.

He had been holding a Directorship in other LNJ group companies like Bhilwara Spinners Ltd., BPL and BMDL for many years.

Currently he is on the board of Sudiva Spinners Private Limited, Lagnam Spintex Limited. And BSL Limited

Except Mr. J. C. Laddha (DIN 00118527) being appointee, none of the Directors and/or Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice in the interests of the Company.

**Registered Office:**

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

By order of the Board of Directors

**Milind A Wagh**  
Company Secretary

Mumbai, 1<sup>st</sup> August 2020

## Annexure '2'

The details of Director seeking appointment / re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are furnished below: -

Particulars	Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Mr. Jagdish Chandra Laddha
DIN	00076708	00079184	00118527
Date of birth	16.06.1950	03.05.1984	12.12.1949
Date of appointment	15.06.1989	20.05.2006	13.06.2020
Expertise in specific Professional areas	<p>Mr. Vinod Saraf is the founder of VOL. He has over 50 years of rich experience in the Indian chemical industry. Prior to VOL he was associated with Bhilwara Group, Modern Syntex (I) Ltd. and Grasim Industries and was nominated as the MD of Mangalore Refinery &amp; Petrochemicals Ltd. (MRPL). He was recently awarded the 2019 HURUN India Selfmade Entrepreneur of the year.</p>	<p>Ms. Vinati Saraf joined VOL in 2006. She holds a Bachelor's of Science in Economics (Finance) from The Wharton School and Bachelors in Applied Science from the School of Engineering (University of Pennsylvania). She has over 14 years of experience in the managerial team at VOL and spearheads the Marketing, Finance &amp; Operation functions at VOL. She is named in the World Economic Forum's Young Global Leader's list and was also listed in The Economic Times annual "India's Top 40 under 40" for 2019.</p>	<p>A venerating and well-known name in Indian Textile Industry, Mr J.C. Laddha, who has devoted his entire life in Textile Sector. He is Chairman of Sudiva Spinners Private Limited in Bhilwara, Rajasthan since 1<sup>st</sup> April, 2015. Mr. J.C Laddha is a Chartered Accountant by qualification. His contribution to the textile industry is an invaluable asset. He is a complete techno-commercial person and one amongst most dynamic businessman in the industry, known for his vast planning, execution and achievements. A well reputed group RSWM, has grown under his leadership and exceptional flair for entrepreneurship. He had been Director in other group companies like Bhilwara Spinners Ltd., BPL and BMDL for many years. He has served as an Executive Director on the board of RSWM since 1990 to 2015 and Director from 2015 to 2018. Presently he is the Director on Board of M/s. BSL Limited, Bhilwara, M/s. Lagnam Spintex India Ltd., Bhilwara and Deputy Chairman of Rajasthan Textile Mills Association. Being a guiding force of many Textile companies Mr. J.C. Laddha has been felicitated with numerous awards for business acumen and leadership skills.</p> <p>Under his direction, Sudiva Spinners is moving forward on the path of quadruple progress in the Textile Sector.</p>

Particulars	Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Mr. Jagdish Chandra Laddha
Qualification	Management graduate (M.B.A) from BITS, PILANI	Bachelors in Economics, Finance from the Wharton School and Bachelors in Applied Science, Biotech and Pharmaceutical Development from the School of Engineering and Applied Sciences	B.Com, FCA,)
List of other Indian Public Limited Companies in which Directorship held as on March 31, 2020	Nil	Nil	2
Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2020	Nil	Nil	Nil
Terms and conditions of Appointment/ Re-appointment	As per Agreement		Independent Director - 5 years w. e. f. 13 <sup>th</sup> June , 2020.
Remuneration last drawn (including sitting fees, if any)	152.26 Lakhs	114.94 Lakhs	NIL
Remuneration proposed to be paid	Nil	Nil	NIL
Number of Meetings of the Board attended during the Year	4	4	1
Number of Shares held in the Company as at March 31, 2020	13900582	1210620	NIL
Relationship between Directors inter-se	Promoter	Promoter	NA

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
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 Email : [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com)  
 Website: [www.vinatiorganics.com](http://www.vinatiorganics.com)  
 CIN: L24116MH1989PLC052224

Mumbai, 1<sup>st</sup> August 2020

By order of the Board of Directors

**Milind A Wagh**  
 Company Secretary

# Vinati Organics Limited

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

CIN: L24116MH1989PLC052224, Tel No.: 022-61240444/428, Fax No.: 022-61240438

Email: [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com), Website: [www.vinatiorganics.com](http://www.vinatiorganics.com)

## The instructions for Shareholders for Remote E-Voting are as under:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing 31<sup>st</sup> AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the 31<sup>st</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 31<sup>st</sup> AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 31<sup>st</sup> AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 31<sup>st</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 31<sup>st</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the 31<sup>st</sup> AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 31<sup>st</sup> AGM has been uploaded on the website of the Company at [www.vinatiorganics.com](http://www.vinatiorganics.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the 31<sup>st</sup> AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. 31<sup>st</sup> AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

**The remote e-voting period begins on Wednesday, September 23, 2020 at 09:00 A.M. and ends on Friday, September 25, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:****How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

**(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vkmassociates@yahoo.com](mailto:vkmassociates@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com). In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com).

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the 31st AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 31st AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 31st AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 31st AGM. However, they will not be eligible to vote at the 31st AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the 31st AGM shall be the same person mentioned for Remote e-voting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 31ST AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the 31<sup>st</sup> AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [shares@vinatiorganics.com](mailto:shares@vinatiorganics.com) (company email id). The same will be replied by the Company suitably.



[illegible]

## Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.





**Vinati Organics Limited**

Parinee Crescenzo, 1102, 11th Floor,  
"G" Block, Plot No. C38 & C39,  
Behind MCA, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

