Vinati Organics Limited

New Dynamics. Stronger Synergies.

32nd ANNUAL REPORT 2020-21

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Our Global presence

Visit our website to view this report online
www.vinatiorganics.com

We are driven by strong objectives – to create value for our stakeholders and sustain our progress as a dynamic organisation. We, therefore, remain open to change, adapting our methods with agility and an attitude to strategically improve our operations.

With a prolonged emphasis on excellence, we have created lasting relationships, endured a legacy of exceptional manufacturing capability and fostered a team of talented individuals. It is the strength of improved synergies that now permeate through each and every organisational vertical, allowing us to consistently secure our position in a niche segment.

In an evolving industry, we realise the importance of growing with the times. We are expanding our capacities and adding new products to redefine our global market leadership. As a result, we are constantly blending our expertise with innovation to curate products that improve our acceptance and enables us to drive consistent value for our stakeholders.

Resting on new dynamics, we are now charting a growth path to mobilise our future.

Vinati Organics is among the leading global manufacturers of specialty chemical products and is the world's largest manufacturer of IBB and ATBS.

An Introduction

We began our journey with a single product, gradually developing an integrated business model to widen our product portfolio. Today, we have multiple products, with a robust market presence in over 35 countries and cater to various industries.

Our state-of-the-art of manufacturing units enable us to adhere to the highest regulatory standards while developing superior quality products. Moreover, our manufacturing facilities are certified with global benchmarks ensuring compliance to health, safety and environmental standards.

NUMBERS THAT REFLECT VALUE-CREATION

12%

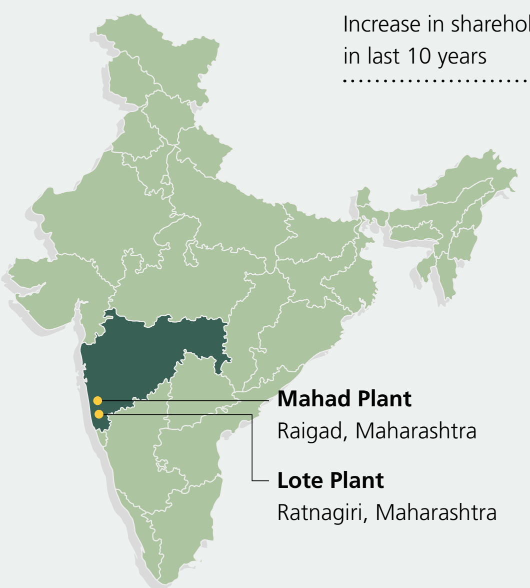
CAGR of revenues in last 10 years

18%

CAGR of net profit in last 10 years

41x

Increase in shareholder wealth in last 10 years



65%

Global market share of IBB
Global market share of ATBS

#1

Ranked ATBS manufacturer in the world

#1

Ranked IBB manufacturer in the world

25,000 tonnes

Production capacity of IBB

Largest

Manufacturer of IB, HPMTBE & Butyl Phenols in India

40,000 tonnes

Production capacity of ATBS

Dear Shareholders,

Looking back at 2020, one can only describe it as challenging, to say the least. The loss of lives and livelihoods during the year has not been witnessed in living memory, for many of us.

Message from the Management

At Vinati Organics, we knew we had to ensure business continuity, to sustain the lives and livelihoods of those that are intrinsically associated with us, while adhering to strict COVID-19 protocols.

Our performance for the year gone by demonstrates our ability to adapt to change, our commitment and responsibility towards each and every stakeholder. Amidst trying times, we delivered robust results, even when the economy witnessed a massive slowdown. We maintained our status as market leaders due to the resilient efforts of our team to consistently produce quality products for clients all over the globe. As compared to FY20, in FY21 our Total Income reduced from ₹1074 crores to ₹980 crores while our Net Profit decreased from ₹334 crores to ₹269 crores.

we remain confident about carrying forward our legacy of delivering superior quality products that meet diverse customer requirements and fortify our position as a trusted and preferred manufacturer of specialty chemicals.

In terms of our products, ATBS, our largest product, had muted sales in first half of 2020, but picked up in the latter half of the year. Our expansion of ATBS is also completed, which now takes our capacity to 40,000 MT. With regards to ATBS, we have seen a very strong uptake in the last quarter due to the recovery of global economies, especially in North America and Europe. IBB recorded its highest ever sales in FY2021 and continues to grow due to the consistent demand of Ibuprofen. We maintained our market share of 65% in both ATBS and IBB. We started India's largest Butyl Phenols plant about a year back and currently we are seeing good demand for all the four Butyl Phenols in the domestic and the export markets. Other products consisting of HPMTBE, PTBBA/PTBMB, Isobutylene etc. contributed about 25% to overall sales in FY21and we continue to see growth with our capex lined up and expected growth visible in domestic and export markets.

Our proposed merger with Veeral Additives Private Limited (VAPL) aligns well with our growth strategy through synergy. The global market demand for Antioxidants (AOs) is robust and the total capacity (post-merger) positions us to drive synergies and create value. One, it adds to our vertical integration, as the AOs use Butyl Phenols as their key raw materials. Our Butyl Phenols is further backward integrated into IB.

The opportunity for growth in the chemical industry is significant, as many chemical units in China have shut down as a result of rising environmental concerns. The facilities at Vinati are capable of filling this vacuum to meet global requirements. We are bolstering our R&D investments to introduce new products.

We express our gratitude to our Board of Directors, the management team, and all our employees for their commitment and dedication to the organisation, especially during an unprecedented crisis. We are also grateful to our valued shareholders, customers and suppliers for their continued support.

Looking ahead, we remain confident about carrying forward our legacy of delivering superior quality products that meet diverse customer requirements and fortify our position as a trusted and preferred manufacturer of specialty chemicals. In the process, we remain committed to fulfil our environmental obligations and aspire to be a 'zero emission' entity, building a greener, better future, for people as well as communities.

Stay Safe. Stay Healthy.

VINOD SARAF
Chairman

VINATI SARAF MUTREJA
Managing Director & CEO

Vinati Organics now stands at the threshold of next-level growth.

New Dynamics. Stronger Synergies.

Over the last decade, we have unfolded significant value by expanding capacities of our key products and by products that brought synergies to our business model.

With continued focus on identifying IB derivatives, we have added products like PTBT, PTBBA/ PTBMB & last year we have commissioned the Butyl Phenols plant with 4 new products. This has allowed us to create economies of scale and our synergic backward and forward integration has further strengthened our moats.

The proposed amalgamation of Veeral Additives Private Limited which is setting up a plant to manufacture 3 types of Antioxidants (AO's) is another step towards strengthening the synergies. Butyl Phenols of Vinati Organics will be the key raw materials required for manufacturing these AO's. With Vinati Organics producing its own IB, which in turn is used to manufacture Butyl Phenols, Vinati Organics would become the largest and only doubly integrated manufacturer of these AO's in India. The amalgamation would allow Vinati Organics to acquire technology, knowledge and resources in the niche AO space which has potential for import substitution as well as exports.

With the capacity expansion of ATBS, addition of Butyl Phenols and the ongoing capex for other IB derivatives, Vinati Organics now stands at the threshold of next-level growth. We are very confident of delivering growth along with stronger synergies.

Our Business Model

DRIVING VALUE THROUGH EFFICIENCY

INPUT

STRATEGIC FRAME WORK

FINANCIAL CAPITAL

- Judicious Financial Management to augur long-term growth

INTELLECTUAL CAPITAL

- Developing strategic partnerships with renowned institutes
- A robust and talented R&D team
- Continued investments in R&D to ensure progress across domains

MANUFACTURED CAPITAL

2
Manufacturing units

- State-of-the-art, integrated and synergic manufacturing setup

HUMAN CAPITAL

- Employees form the cornerstone of our success

SOCIAL & RELATIONSHIP CAPITAL

- Ensuring social progress through concerted efforts

NATURAL CAPITAL

Committed
Aspire to implement eco-friendly operating procedures

ASPIRATIONS

To meet challenging targets and fulfil organizational objectives

OPERATIONS

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

OUTCOME

ADVANTAGE

Our deep business intellect to produce value-added niche specialty chemicals through innovative green chemistry

20%
Sales from new products introduced in last 5 years

OPPORTUNITY

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

69%
International revenue share

FINANCIAL CAPITAL

- **₹378 Crores** EBIDTA
- **₹269 Crores** Profit after tax
- **₹14,389 Crores** Market Capitalisation
- **21%** Return on Capital Employed

INTELLECTUAL CAPITAL

A globally trusted brand

- 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
- **Mobilised** resources for their health and safety during COVID-19
- **Skilled** workforce to ensure sustainable and profitable growth
- **Improved** revenue per employee

SOCIAL & RELATIONSHIP CAPITAL

- **Increased** industry participation and engagement
- **Growing** brand recall
- **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 society

NATURAL CAPITAL

ZERO
Effluent discharge system across manufacturing plants

In 2020, we further cemented our position as a market leader in terms of the products we manufacture and the markets we serve. Our remarkable progress during a tough year sets the stage for continued growth in the coming years.

Sustained Business Excellence

STRONG ECONOMIES OF SCALE

We continuously optimise costs by ensuring efficiency of operational processes though periodic audits and reviews of major processes that may affect profitability. Our integrated process remains our pivot to drive our margin growth, year-on-year.

39%

EBITDA margin in FY21
(Up from 26% in FY15)

27%

PAT margin in FY21
(Up from 15% in FY15)

GROWING PORTFOLIO

With a deep insight about the transformation of generic raw materials in niche value-added products, we continue to develop an exceptional portfolio of products that fortify our position among the leading specialty chemical companies in the world.

20+

Products in the portfolio

DRIVEN BY INNOVATION

Continuous research and hunger to drive value remains fundamental to our business growth. Our R&D team works tirelessly to identify opportunities of growth within and add new products that drive more synergies within our ecosystem.

10

New products commercialized in last five years

BRAND OF TRUST

Despite being in a commodity-driven industry and largely serving B2B segment, we have created a repute for ourselves. Our customer profile consists of some of the leading global companies in the world, across several downstream industries, associated with us for many years. We are only growing our customer base, while adding value to our existing set of customers.

60%+

Of Revenues garnered from clients associated with us for more than 5 years

PEOPLE-DRIVEN

Our success in decades has been built on commitment and passion of our employees. Their deep and long-standing trust in our vision, backed by their efforts has only made us better.

300+

Employees added in last five years

GREEN CHEMISTRY

Our sharp focus on reducing the ecological impact of our activities is reflected in our significant investments for upgrading our equipment and infrastructure. These upgrades are aimed at proper waste disposal as well as improvement of operating efficiency to minimise effluent generation at source.

At Vinati, we are proud of our achievements in 2020. In a year marked by major difficulties, we emerged stronger, demonstrating the speed, resilience and agility of our team to serve our customers better than before.

Specialty Chemicals for Diverse Needs

We believe in the power of chemistry to make the world a better place. We produce organic chemicals, specialty chemicals and niche specialty chemicals.

Our intellectual capital, research efforts and collaborations with renowned partners serve us well to emerge as the first point of call for existing and prospective customers.

SPECIALITY MONOMERS

Product

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

Applications

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

SPECIALITY AROMATICS

Product

- Iso Butyl Benzene (IBB)
- Normal Butylbenzene (NBB)
- Secondary Butylbenzene (SBB)
- Tertiary Amyl Benzene (TAB)
- 3-Phenylpentane, (1-Ethylpropyl) Benzene, (3-PP)
- Hexene
- C 10 Aromatic Solvent

Applications

- Pharmaceutical
- Speciality solvent
- Paint & coatings, agrochemicals
- Catalysts
- Electronics
- Perfumery

BUTYL PHENOLS

Product

- Ortho Tertiary Butyl Phenol (OTBP)
- Para Tertiary Butyl Phenol (PTBP)
- 2,4-Di Tertiary Butyl Phenol (2,4-DTBP)
- 2,6-Di Tertiary Butyl Phenol (2,6-DTBP)

Applications

- Perfumery
- Resins
- Polycarbonate
- Agrochemicals
- Plastic Additives
- Antioxidant
- Dyestuff

OTHER SPECIALITY PRODUCTS

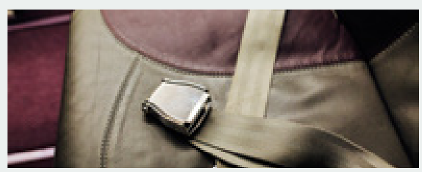
Product

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

Applications

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

MISCELLANEOUS POLYMERS



Product

- Vinflow HT
- Vinplast 245 (Acrylic Super Plasticizer)

Applications

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

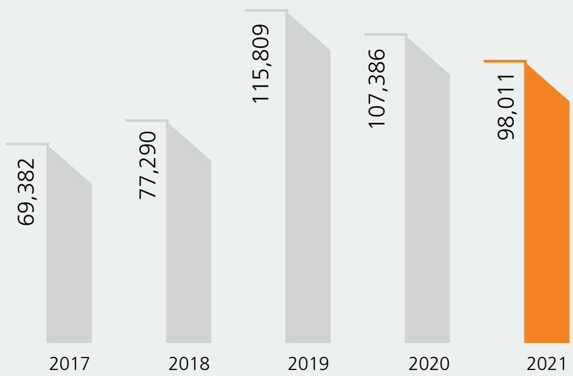
DOWNSTREAM SECTORS

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

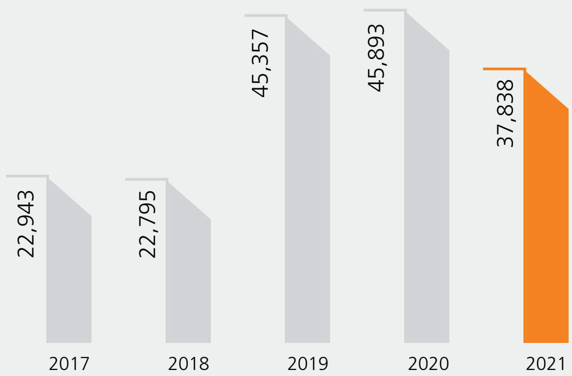
The year proved one thing - a customer first approach always leads to success. We stood by our customers, understanding their issues and offering solutions that resonated with our business. We restructured our strategies, believed in the strength of our integrated business model and simultaneously delivered stronger financial performances.

Key Performance Indicators

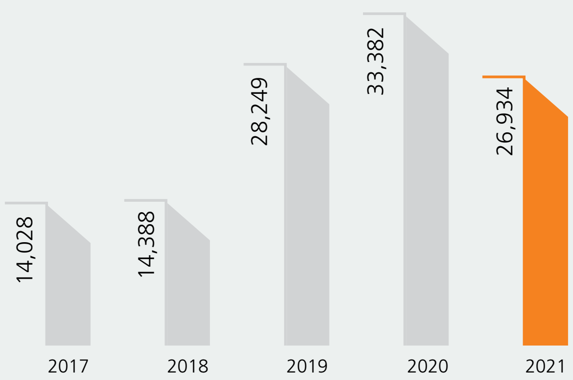
REVENUE (₹ in lacs)



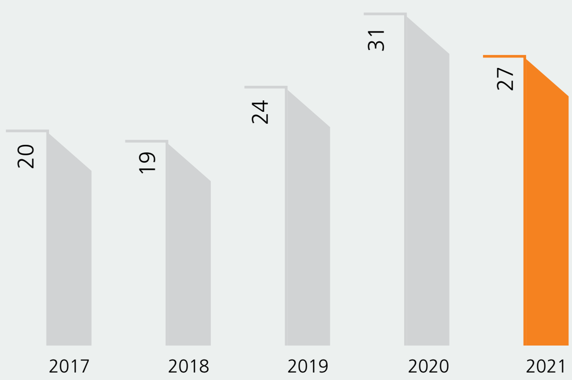
EBITDA (₹ in lacs)



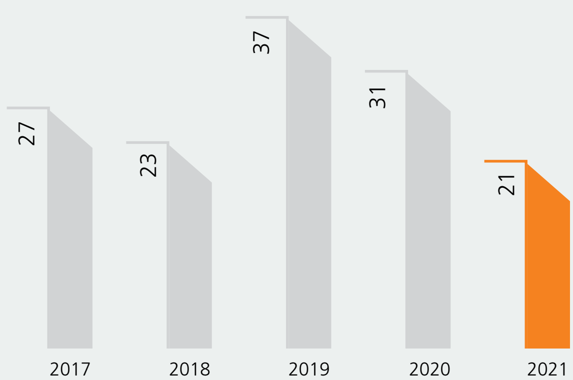
PAT (₹ in lacs)



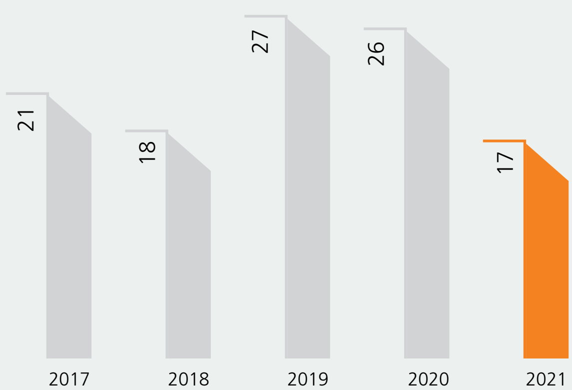
PAT MARGIN (%)



ROCE (%)



RONW (%)



Touching Lives, Empowering Communities

A HEARTFELT NOTE

At VOL, we believe that there is no greater gift than the gift of giving. Being a speciality chemical manufacturing company committed to clean and green technology, we feel we want to carry forward that same socially responsible attitude while giving back to our communities. Through our CSR initiatives,we empower and nurture the rural communities around our manufacturing sites.

We are going through some unprecedented times because of the COVID-19 pandemic with millions of people experiencing hunger and job loss. We have played an active role to help people recuperate from this pandemic by our various relief initiatives. These initiatives have transitioned from providing grocery/ration kits and safety gear like PPE suits, sanitizers and masks to healthcare equipments like ventilators and X-ray machines in Mumbai, Raigad and Ratnagiri to providing an opportunity to regain means of livelihood with dignity and respect. Additionally, we also support promoting education, healthcare, sanitation and environmental sustainability in the Raigad and Ratnagiri districts of Maharashtra.

In both these districts, we work with the community, panchayats, governments agencies and NGOs to achieve our goals of sustainable development and inclusive growth. We believe that together we can make a difference by working collaboratively with our various stakeholders.

Our diverse basket of CSR projects has only been possible because of our dedicated partners. I would like to thank our CSR committee and the organizations that we work with who help us get closer to our dream of achieving many of the Sustainable Development Goals (SDGs).

Ms. Viral Saraf Mittal
Director of CSR at Vinati Organics Limited (VOL)

HUNGER

Maslow's hierarchy of needs places our physiological needs like food, water and shelter at the very base of the pyramid without which none of the higher levels of human needs can be realized. We at VOL recognize the basic need especially during times of crisis.

Food for Survival

VOL supplied ration kits to families of daily-wage earners who had lost their means of livelihood due to the pandemic. Each kit containing flour, rice, lentils, oil, salt, tea, spices and soap was meant to sustain a family of four for two weeks. 1,000 such kits were distributed in the slum pockets of Mumbai as part of Rotary Club's District Welfare Fund. Moreover, closer to our plant, we handed out grocery packets to 850 families residing in Mahad.

When the pandemic was at its peak, cyclone Nisarga unleashed its fury over the Konkan coast in the first week of June 2020. The natural disaster destroyed 2,391 houses, took 71 lives, and resulted in damage of ₹1,000 crores according to a TOI report. The strong winds, heavy rainfall, and surging sea waves also uprooted crops in its wake. As per appeal made by government authorities, VOL supplied food-grain packets worth ₹2.5 lacs to cyclone affected villagers.

HEALTH

They say "Health is Wealth" for a good reason. The year 2020 particularly was one when the adage held true more than ever. The pandemic made us pay special attention to our health and well-being. But let alone a medical crisis, many Indians do not have access to reasonable medical facilities in normal course.

Following are various interventions in the health and well-being space that we supported last year:

I. Rejuvenating The Lifeline

VOL donated blood component separation machines to Jankalyan Blood Bank: the only institution extending its services in blood collection, storage and distribution from a long time for the region stretching from Pen to Chiplun (about 150 kms as the bird flies). The donation of refrigerated centrifuge, vertical plasma freezer, and automated hematology analyzer will ensure that hundreds of people in the 2 districts and 16 talukas get timely medical help in the future.

> **We are so grateful for your support... Your donation for equipments is going to be back bone for this Unit.**
>
> **Dhananjay Paranjape,** President, Jankalyan Blood Bank

II. Investing in Youth Well-being

Funds from VOL were used to support the four implementing partners of Dasra Adolescents Collaborative (DAC) for executing the program in Jharkhand.

The 10 to19: Dasra Adolescents Collaborative works towards the following outcomes key to adolescent well-being:

- **Delay age at marriage**
- **Delay age at pregnancy/birth**
- **Complete secondary education**
- **Increase agency**

Our three years commitment to the collaborative reformed the lives of around 150,000 adolescents this year on the above four parameters.

Touching Lives, Empowering Communities

III. Holistic aid during COVID-19 crisis

VOL rose to the occasion by contributing to different demographics as per their needs during lockdown.

The organization donated a ventilator worth of ₹25 lacs to a government hospital in Lote near one of our factories. In addition, we provided an X-ray machine to SMS Hospital COVID-19 centre benefiting 450 patients in the region. Moreover, we supported the COVID centre started by Mahad Manufacturer's Association for treatment of employees and their families working at MIDC as well as for general public residing in nearby villages. 762 in-patients and more than 1,200 out-patients were treated in the hospital free-of-cost.

In terms of protective equipment, sanitizers and masks were distributed to 2,000 families in Mahad and to 5,000 families in Lote. Also, VOL dispensed PPE kits worth ₹1 lac to police staff in Lote.

To cater to the basic need for food during the epidemic, we disbursed grocery packets feeding 1,850 families in Mumbai slums and in Mahad.

Overall, we at VOL are proud to pledge our support to our fellow Indians in the dark hour by contributing ₹1 crore to PM CARES Fund.

IV. Saving and bettering children's lives

The SRCC Children's Hospital, managed by Narayana Health, is a multi-speciality medical institution for children from ages 0 to 18 years requiring treatment towards life-changing surgical corrections and life-threatening disorders. VOL supports the hospital's intent that no child should be deprived of treatment owing to lack of funds.

VOL contributed ₹30 lac towards supporting 50 kids towards cochlear and ENT treatment, cardiac surgery, oncology, neuro-surgery, and critical care among others.

Vinati Organics CSR office came forward and encouraged SRCC request for supporting economically challenged kids with financial support. Kids operated at SRCC from Vinati CSR Funds have impacted in life changing & life threating disorders.

Ankit Shrimali, CSR Head - SRCC Children's Hospital

CASE STORY:

1

Mayuri Dhembre

Recurring abdominal pain, constant itching, fatigue, night sweats and weight loss is not what a nine-year-old girl should have to worry about. Yet this is what life looked like for Mayuri Dhembre: a case of biliary stricture.

A resident of a village called Suregaon in Maharashtra, Mayuri's father brought her to Mumbai a year ago for treatment. Mayuri's father who was working as a labourer pre-lockdown earned ₹4,500 per month. The pandemic rendered him jobless. Nevertheless, he managed liver transplant surgery of his daughter which costs in lacs via generosity of his relatives, friends and charitable trusts like VOL.

2

Velankanni Chetty

Velankanni Chetty had to undergo bladder exstrophy correction and limb reconstruction at mere seventh day of his existence in the world. The rare birth-defect causes the bladder to develop outside the fetus. The treatment for the condition costing ₹5,75,000 was way beyond the means of Velankanni's father who pre-pandemic earned ₹12,000 a month as a painter. The procedure was made possible by funding from VOL among other donors.

3

Swara

When Swara's parents would have named her, they wouldn't have known that their daughter whose name means a musical note, can barely hear. In fact, they came to know about her deformity at age one. However, due to the high cost of the surgery, her father who is a farmer in Amravati, was not able to get his daughter operated. As Swara approaches her third birthday, she'll be able to hear for the first time: thanks to the cochlear implantation she underwent with support from donors like VOL.

V. Happy Second Birthday

One in three stunted children in the world live in India and every second child in India under age five is anaemic. The deficiency in nutrition in early years towards the physical and mental growth of the child thereby affecting his/her productivity as an adult and this in turn dents the country's economy.

To address this challenge, Foundation for Mother and Child Health (FMCH) launched Project Poshan to prevent chronic malnutrition in children during the first 1,000 days of their lives. FMCH works with the mothers and families of the children as well as with Anganwadi workers as part of Integrated Child Development Scheme under Ministry of Women and Child Development to carry out counselling and monitoring interventions. The project is underway in two neighbourhoods of Mumbai namely Powai and Kurla.

VOL aided FMCH in its endeavour by contributing funds towards training costs, medicines for families, salaries of frontline workers, and general operations of the program. Our grant enabled over 3,500 children to reach their second birthday in a happy and healthy fashion.

Touching Lives, Empowering Communities

One of the things that stand out about Vinati CSR is their deep involvement to do social good and desire for sustainability. Viral was generous with her time, and understood our work very easily and saw the need for it. She not only asked us questions about the work and its sustainability, but was open to learning about the challenges as well. We are grateful to Vinati for being a partner on our mission and hope to continue to partner with them to reach 1 million families!

Shruthi Iyer, CEO of FMCH

4 QUALITY EDUCATION

EDUCATION

We agree with Nelson Mandela when he says: Education is the most powerful weapon which you can use to change the world. Education, in its holistic sense, is the gateway to solving many social problems like poverty, unemployment, gender issues, and climate change.

The VOL family is passionate about contributing to the SDG of Quality Education as reflected in the diverse initiatives we supported this year:

I. More than Brick-and-Mortar

VOL partook in the construction of an Anganwadi and community hall building at Asanpoi village upon request from the gram panchayat. Twenty-seven needy children are studying in the Anganwadi school. Moreover, villagers celebrate their cultural programs in the community hall.

II. Beyond textbooks

We supported two education NGOs through Atma which builds capacity of the NGOs for them to achieve sustainability and scalability thereby contributing to delivering quality education. The funds contributed by VOL have been used for servicing the cost of programme design and management, programme staff salaries, and project overheads.

One of the NGOs is Tapasya Pratishthan. It organizes existing resources within governments and civil society to drive its policy implementation model, develop a rich body of research on the selected policies, and support holistic development of children from economic and socially disadvantaged backgrounds. Tapasya is based out of Pune and works with children in Nandurbar, Thane, Pune and a few other districts in Maharashtra. VOL

backed the NGO to support **742 families** through their COVID relief helpline and **1,437 families** through ground operations.

Rubaroo is the second NGO that we supported. Rubaroo works to eliminate incidences of Child Sexual Abuse (CSA) by raising awareness through education on CSA, inculcating gender sensitivity in children and adults, imparting body safety knowledge, and providing counselling support to children and their families. The NGO is based out of Mumbai and works with children in Mumbai schools. The grant from VOL helped Rubaroo create digital content to deliver this programme online. They expanded their focus to adult stakeholders as child safety is an adult responsibility. They also focused on mental well-being for children and adults to address the generalised stress brought on by the pandemic and increased vulnerability of people in abusive homes. All in all, VOL's contribution helped Rubaroo reach **23,073 children** and **13,435 adults**.

Vinati Organics has been a pivotal donor for Atma in many ways. Firstly, their support to us for a period of 3 years is greatly appreciated as it lends funding stability to the organisation, which has proved to be extremely useful in an uncertain year like 2020. Secondly, Vinati Organics has been the right mix of engaged and hands off in a way that their support lended us flexibility in terms of what we do on a day to day basis, yet their engagement in going over 6 monthly progress reports showed their commitment in ensuring that our work was achieving its intended outcomes. Lastly, Viral has been very warm and supportive in a difficult year and that goes a long way for us at Atma. Overall, we are very happy to be engaged with VOL and look forward to a continued long term association with them.

Sneha Arora, CEO of ATMA

Touching Lives, Empowering Communities

III. Developing scientific faculties

Navkonkan Education Society, a reputed education society in Ratnagiri district, established DBJ college in Chiplun city in the year 1965. Presently, about 6,000 students from surrounding villages study here. However, considering the growing number of students, there was a need to develop additional infrastructure.

VOL took an initiative and invested ₹1 crore to construct a building which encompasses physics, chemistry, biology and computer science laboratory under one roof. Now, about 450 students can do their laboratory experiments at a time in this building!

> **Our laboratories were appreciated a lot by external examiners and also visitors from educational departments. Students really enjoy their practical studies which will definitely help in improving their knowledge and ultimately their results.**

L. A. Biradar, Vice-principal, DBJ College, Chiplun

> **This is one of the best Chemistry laboratory that I have ever seen in the entire Ratnagiri district. Thank you very much for providing such a well-equipped laboratory for the students of department of Chemistry.**

S. K. Jadhav, Department of Chemistry, DBJ College, Chiplun

"As practical knowledge has real sense in education, our laboratory is soul of our chemistry subject. We enjoyed a lot while doing practicals in our new laboratory due to easy accessibility."

Prachi Kadam, Student

IV. School of thought

Jijamata Shikshan Prasarak Mandal established in 1925 was running a semi-English secondary school for 5th to 10th standard students in Lote. The school located in MIDC area educated more than 450 students from nearby villages. These students are children of contract workers who work in different industries in the region and this school was the only option for them to pursue studies at nominal cost.

However, the school building and other infrastructure was not adequate for the students. We invested ₹1.54 crores to revamp the school infrastructure including school building, laboratory, assembly hall, drinking-water facility, playground, and gender-segregated washrooms. The school is christened Kavita Vinod Saraf High School.

V. Sponsoring Chemical Research

VOL sponsored four Post Doctoral Fellows for researching chemical products at Indian Institute of Chemical Technology. A sum of ₹20 lac was granted for advancing the science. In the same vein, ₹6 lac was issued to Central Electrochemical Research Institute for conducting a feasibility study on synthesis of P-Cuminaldehyde from P-Cymene by electrochemical route.

Touching Lives, Empowering Communities

CLEAN WATER AND SANITATION

The issues relating to Water, Sanitation and Hygiene (WASH) are very pertinent in our surrounding areas. The problems of waste management, water scarcity and accessibility are as relevant to rural areas if not more than urban habitats.

Following are some of our small-scale efforts in the WASH domain in the past year. We hope to fortify our contributions to the Clean Water and Sanitation SDG in the coming years.

I. Treating Effluent

As part of our small gestures towards WASH initiatives, VOL supported Lote Parshuram Environment Protection Co-Op. Society to the tune of ₹2.25 lacs towards setting up Common Effluent Treatment Plant for treating contaminated water that is discharged in Dabhol canal.

II. Building Water Tank

We also built a water tank in Hedutane village giving respite to 100 villagers from the drudgery of fetching water from faraway locations thus improving their quality of life.

III. Lift Irrigation Project

Our organization brought water to the fields of 10 farmers and their families in Bhalyachiwadi and Yarmal villages thus irrigating the low-lying areas and bestowing prosperity on the communities.

DECENT WORK AND ECONOMIC GROWTH

There could not have been a more apt timing to address the cause of livelihood when the pandemic shot the unemployment rates through the roof. Moreover, it is equally important to upskill our labour classes and blue-collar workers so that they can work in more dignified, respectable, and higher-paying jobs. Our commitment to this SDG will only grow in the time to come because we believe that only when Indians flourish can India prosper!

Unlocking Livelihoods

Social Venture Partners (SVP) India provides a platform to philanthropists to engage with the non-profit sector in a hands-on manner thereby enabling capacity building of the NGOs. VOL supports SVP India to achieve its grand Million Jobs Mission by year 2022. Our CSR Director is engaged with SVP India as a partner, representing VOL's commitment to the cause.

LIFE ON LAND

How can we continue to exist if we abuse the earth that hosts us and disregard the various life-forms that are connected to our survival? Therefore at VOL, we decided to do something for one part of our natural ecosystem namely the wildlife.

For starters, here is our humble effort towards animal conservation and an overview of our plan going forward.

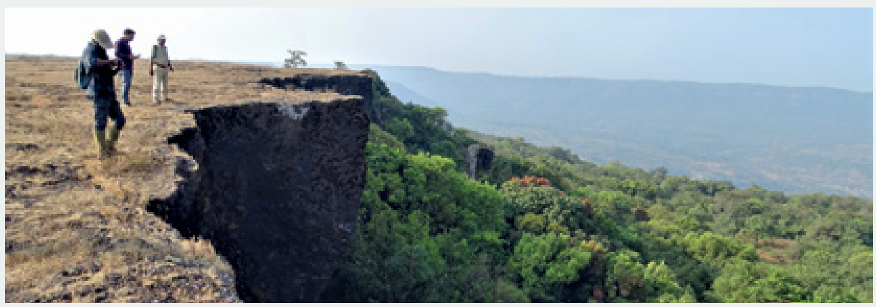
Protecting Fauna

VOL commissioned a scientific report to Wildlife Conservation Trust to assess the occupancy and distribution of threatened large carnivores in the 700-km stretch of the bio-diverse Sahyadri-Konkan corridor. The project involved study of the present distribution and change in occupancy of four species namely tiger, dhole, leopard, and sloth bear. On basis of the assessment, the report made four recommendations:

1. **Improve habitat and wild prey status in existing Protected Areas**
2. **Create satellite core areas**
3. **Consolidate the corridor habitat**
4. **Secure funding for wildlife protection and management**

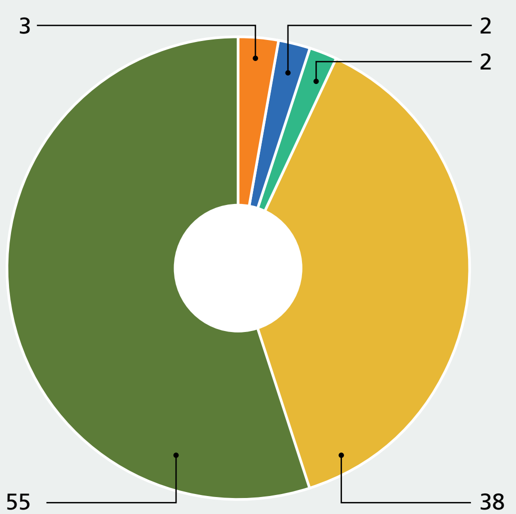
VOL has also committed to engage in initiatives in the future towards wildlife conservation through the following:

- Capacity building of frontline forest staff to undertake wildlife monitoring, law enforcement, forensics and trauma management
- Contributing to tiger conservation in the corridor and managing new Protected Areas
- Intervening to reduce crop loss due to large and small wildlife

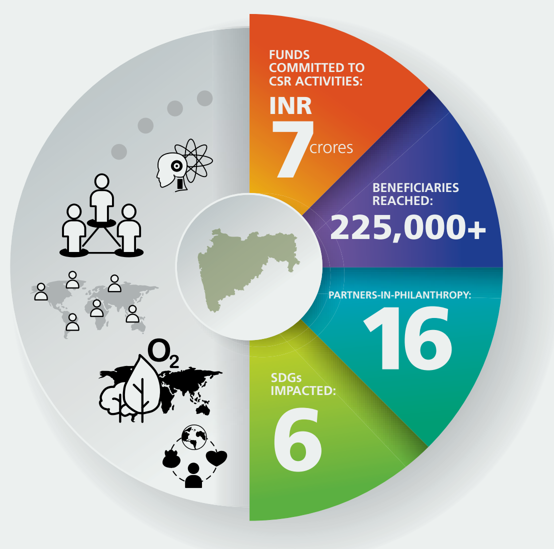


CSR SPENDS ON DIFFERENT SDGS

in %



IMPACT IN NUMBERS



Touching Lives, Empowering Communities

A PEEK INTO THE FUTURE:

We earnestly believe that real development should be well-rounded. If it is just materialistic, it runs the risk of being lopsided. In that spirit, our organization vows to undertake social welfare activities in order for the development to be sustainable, equitable and inclusive.

As we usher forth in our philanthropic journey, VOL will continue to retain its focus on health and education while expanding initiatives in other SDG areas. To do so, we will need to partner with organizations who align with our ideology and principles.

Swades Foundation is one such partner who we've committed to support in 2021-22. The Foundation will help us achieve holistic development of Mahad block in Raigad district through the following interventions:

1. **Rain-water harvesting for irrigating farmlands**
2. **Facilitating access to drinking water in each home**
3. **Building toilets in homes to enable open-defecation-free community**
4. **Promoting WASH initiatives in schools to foster learning**
5. **Equipping schools with digital literacy tools**
6. **Supporting COVID-affected livelihoods**

The partnership between VOL and Swades is slated to impact more than **1,300 households** i.e. **5,000+ lives including two schools**.

We're also elated to announce our collaboration with Collective Good Foundation (CGF), a specialist in design and implementation of large-scale development sector projects, to address issues of education, livelihoods, and sanitation with a gender lens. Over the next two years, we will be backing CGF's flagship The 13 to 30 Program to undertake the following activities in rural pockets of Raigad:

1. Awarding scholarships to **320 girls** enrolled in classes 11th and 12th for their higher education
2. Conducting in-school training for **3,500 adolescent boys and girls** enrolled in low-income schools
3. Offering out-of-school employability program to **150 drop-out women and men** from marginalized communities to train them for work-readiness
4. Setting up or refurbishing WASH infrastructure in **5 schools and rolling out behaviour-change campaigns among 1,000 of its students**

In addition, VOL has also pledged to CGF to help women cohorts across Maharashtra to bounce back from the economic shocks triggered by COVID-19 by helping them resume their jobs.

Thus, we at VOL wholeheartedly embrace the future full of possibilities and opportunities to contribute our share to attaining Sustainable Development Goals.

Awards & Recognitions

VOL has been awarded the **NATIONAL AWARD FOR SUCCESSFUL COMMERCIALIZATION OF INDIGENOUS TECHNOLOGY** by the Technology Development Board (TDB)* for the year 2019-20. This was awarded to us for working with CSIR-IICT and developing the technology for making PTBT and PTBBA

*A statutory body of Government of India functioning under the Department of Science & Technology

Ms. Vinati Saraf Mutreja was featured in **FORBES ASIA'S POWER BUSINESSWOMEN** **2020** list

In the Financial Express CFO of the Year Awards 2020, VOL was adjudged **WINNER IN THE LARGE ENTERPRISES** – Manufacturing Category

Less than 0.5% of the listed entities in India have 4 or more women in their Board of Directors and **VINATI ORGANICS** is one of them

Source: nseinfobase.com

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 15 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. Jayesh Ashar
Director – Operations
DIN: 00041532

Bachelor of Engineering (Chemical) and Master in Management Studies (Operation) from Mumbai University having about 30 years of experience mostly in chemical plants.

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

Dr. Mrs. 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.

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

Mr. J.C. Laddha
Independent Director
DIN: 00118527

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.

Corporate Information

Board of Directors

Mr. Vinod Saraf
(DIN:00076708),
Chairman

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

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

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

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

Dr. Prof. M. Lakshmi Kantam
(DIN: 07831607),
Independent Director

Mr. J. C. Laddha
(DIN: 00118527),
Independent Director

Mr. Sunil Saraf
(DIN: 00076887),
Non-Independent Director
(up to 02.02.2021)

Mr. Jayesh Ashar
(DIN: 00041532),
Director – Operations
(w. e. f. 02.02.2021)

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 LLP
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. Link Intime 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-Second Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2021.

1) FINANCIAL RESULTS:

The summarized position of these results is given below:

(₹ in Lacs)

Particulars	As at 31st March 2021	As at 31st March 2020
Net Sales/Income from Operations	95425.81	102887.39
Other Income	2585.55	4498.92
Total Income	**98011.36**	**107386.31**
Profit before Finance cost, Depreciation &Taxes	37838.15	45893.03
Finance cost	21.19	109.22
Profit before Depreciation & Taxes	37816.96	45783.81
Depreciation & Amortisation Expense	4291.45	3316.05
Profit before Taxation	**33525.51**	**42467.76**
Provision for Taxation - Current	7574.33	9559.51
Deferred	744.42	(1408.51)
Earlier year adjustment	(1726.89)	933.78
Profit for the year	**26933.65**	**33382.98**
Items that will be reclassified to profit or loss re-measurements of defined benefit plans	(25.27)	(50.13)
Income Tax relating to items that will not be reclassified to profit or loss	6.36	12.62
Total other comprehensive income for the year, net of tax	(18.91)	(37.51)
Net Profit for the year	**26914.74**	**33345.47**

2) COVID-19

The COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs for first half of the FY 2021 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 as we fall under essential product categories. During the FY 2021, the Company's head Office was mostly work from home as per guidelines. 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, the global economy has gained momentum in the first half of 2021. The good balance sheet position, fair profitability and inherent resilience of the business model position the Company well to navigate the challenges ahead and continue growth.

3) COMPANY PERFORMANCE / REVIEW OF OPERATIONS:

On a consolidated basis, the revenue for Financial Year (FY) 2021 was ₹95425.81 Lacs. The profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2021 was ₹26932.09 Lacs. The PAT attributable to shareholders for FY 2021 was ₹26913.18 Lacs.

On a standalone basis, the Net Sales/Income from operations achieved during the year is ₹95425.81 Lacs compared to ₹102887.39 Lacs in the previous year. The net profit after tax is ₹26933.65 Lacs as compared to ₹33382.98 Lacs in the previous year.

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, 2021.

5) DIVIDEND:

The Directors have recommended a final dividend of ₹6 per equity share of the face value of ₹1 each. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹6166.92 Lacs.

For FY 2020, the Company paid a total dividend of ₹5.50 per equity share of the face value of ₹1/- each. The total cash outflow for FY 2020 including dividend and dividend tax amounted to ₹6709.37 Lacs.

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) SCHEME OF MERGER:

The Board of Directors ('Board') of Vinati Organics Limited at its meeting held on 2nd February 2021 has approved Scheme of Amalgamation of Veeral Additives Private Limited ('Transferor Company') with Vinati Organics Limited ('Transferee Company') and their respective shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

The Scheme is subject to the receipt of approval from the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company (together referred to as 'Amalgamating Companies') (unless dispensed with), approval by the benches of the NCLT having jurisdiction over the Amalgamating Companies, SEBI, the stock exchanges and such other approvals, permissions and sanctions of regulatory and other statutory authorities / quasi-judicial authorities, as may be necessary.

The Scheme has been filed with the stock exchanges as per the applicable provisions of Regulation 37 of the Listing Regulations read with the SEBI Scheme Circular and approval of SEBI is awaited.

7) SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANY:

During the financial year under review, Veeral Organics Pvt Ltd. has been incorporated as 100% subsidiary of Vinati Organics Limited (the "Company") on October 5, 2020.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries in Form AOC-1 is attached to the financial statements.

8) INSURANCE:

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

Directors' & Officer's Liability (D & O) policy covers the Directors and Officers of the Company against the risk of third-party claims arising out of their actions / decisions in the normal course of discharge of their duties, which may result in financial loss to any third party.

9) DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Viral Saraf Mittal, Director - CSR of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment. Your Board recommends her re-appointment as Director – CSR for your approval. The brief profile of Ms. Viral Saraf Mittal and the resolution for her appointment as Director – CSR are given in the Notice of the 32nd Annual General Meeting (AGM). Except Ms. Viral Saraf Mittal and her relatives, Mr. Vinod Saraf and Ms. Vinati Saraf Mutreja, Father and Sister respectively, no other Director(s) and their respective relatives is interested in the said resolution.

During the year, Mr. Sunil Saraf, has resigned from the Non-Executive Director position with effective from February 2, 2021. The Board appreciated his valuable advice and guidance to the Company during the tenure of his terms as director of the Company.

Pursuant to Section 196, 197 and other applicable provisions of Companies Act, 2013 (hereinafter the "Act") and the relevant Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, Mr. Jayesh Ashar (DIN00041532) has been appointed as the Additional Director and designated as "Director – Operations" of the Company from 02.02.2021 to 31.03.2024 by the Board in its meeting held on 02.02.2021 considering the recommendation of the Nomination and Remuneration Committee and being eligible for the appointment as Whole-time Director, your Board recommends his appointment as the "Director – Operations" of the Company. The brief profile of Mr. Ashar and the resolution for his appointment as "Director – Operations" given in the Notice of the 32nd Annual General Meeting (AGM). No Director(s) and their respective relatives, other than Mr. Ashar and his relatives, are interested in the said resolution.

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) 5th 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. No Director of the Company is disqualified under any law to act as a director.

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– Director – Operations 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 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.

11) DEPOSITS:

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

12) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company had a total foreign exchange earnings and outgo as provided below during the year ended March 31, 2021:

Foreign Exchange Earnings - ₹70488.83 Lacs

Foreign Exchange Outgo - ₹8497.88 Lacs

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's 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 to ensure 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.

The permanent employee strength of the Company was 953 as on March 31, 2021.

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 2021 – 22 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:

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed.

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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 that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020 – 21.

19) MATERIAL CHANGES AFTER BALANCE SHEET DATE (MARCH 31, 2021):

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY 2021) 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 Annexure '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 Lacs Per month. (**See Annexure 'F'**)

Employee holding 2% or more of the equity shares 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%

22) 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 and its Subsidiary Company.

23) CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility (CSR) Committee was constituted on 10th May, 2014 and reconstituted on 13th June 2020 as per Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. This committee comprises of 4 Directors of the Company.

All the members of Corporate Social Responsibility Committee mentioned above i.e. Prof. M. Lakshmi Kantam – Chairperson of the CSR Committee, Mr. Vinod Saraf – Chairman, Ms. Vinati Saraf Mutreja - Managing Director & CEO, & 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 www. vinatiorganics .com

The Company has entered MOU from Samhita and Swadesh for CSR Activities and also supported various NGOs for CSR activities.

The Company is supposed to spend ₹702.21 Lacs. Out of which the Company has spent ₹284.57 Lacs and balance unspent amount of ₹417.65 Lacs has been transferred to Separate Bank Account i.e. Unspent Corporate Social Responsibility Account (UCSRA). The Annual Report on CSR Activities is enclosed as **Annexure 'G'**. The CSR policy of the Company has been posted on website of the Company at www.vinatiorganics.com.

24) ESOP/ ESOS:

During the year under review, the Company did not issue any shares under "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 SBEB 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.

25) 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 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 - Member has also been set up to redress complaints received regarding sexual harassment.

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

During the 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.

26) EXTRACT OF ANNUAL RETURN- MGT – 9:

Pursuant to section 92(3) read with Sec 134 (3) (a) of the Act, the Annual Return as on March 31,2021 is available on the Company's website on https//www.vinatiorganics.com / annual retun20-21

27) 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.

28) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Loans, Guarantees and investments made by the Company are within the limits prescribed under the provisions of Section 186 of the Companies Act2013 and details are given in the notes to the financial statements.

29) 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:

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

Sr. No.	Whole-time directors	Ratio to median remuneration
1.	Mr. Vinod Banwarilal Saraf, Chairman	31.16
2.	Ms. Vinati Saraf Mutreja, Managing Director & CEO	21.82
3.	Ms. Viral Saraf Mittal, Director – CSR	12.48

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

Sr. No.	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
1.	Mr. Vinod Banwarilal Saraf, Chairman	10%
2.	Ms. Vinati Saraf Mutreja, Managing Director & CEO	10%
3.	Ms. Viral Saraf Mittal, Director – CSR	10%
4.	Mr. Jayesh Ashar, Whole-time Director and designated as Director – Operations w. e. f. 02.02.2021	10%
5.	Mr. N. K. Goyal, Chief Financial Officer	10%
6.	Mr. Milind Wagh, Company Secretary	10%

c. The percentage increase in the median remuneration of employees in the financial year: 8.67%

d. The number of permanent employees on the roll of Company: 953

e. The explanation on the relationship between average increase in remuneration and Company performance:

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

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

Aggregate remuneration of key managerial personnel (KMP) in FY21 (₹ in Lacs)	576.91
Revenue (₹ in Lacs)	95425.81
Remuneration of (KMP) as a percentage of revenue	0.60
Profit before tax (PBT) (₹ in Lacs)	33525.51
Remuneration of (KMP) as % of PBT	1.72

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, 2021	March 31, 2020	% change
Market capitalization (₹ In Lacs)	1438948.70	791421.79	81.82%
Price earnings ratio	53.44	23.70	125.50%

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, 2021 (₹)	November 11, 1991 (IPO)*	% change
Market Price (BSE)	1400	0.67	209893
Market Price (NSE)	1400	0.67	209893

* Adjusted for 1:2 bonus issue in 2007, splits of Face Value of shares from ₹10/- to ₹2/- and from ₹2 to ₹1 in 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:

(₹ in Lacs)

Name	Total Remuneration	% of revenue 95425.81	% of net profit before tax 33525.51
Mr. Vinod Banwarilal Saraf, Chairman	167.37	0.18	0.50
Ms. Vinati Saraf Mutreja, Managing Director & CEO	126.03	0.13	0.38
Ms. Viral Saraf Mittal, Director – CSR	70.87	0.07	0.21
Mr. Jayesh Ashar, Additional Director and designated as Director – Operations w. e. f. 02.02.2021 to 31.03.2024.	102.69	0.11	0.31
Mr. N. K. Goyal, Chief Financial Officer	79.49	0.08	0.24
Mr. Milind Wagh, Company Secretary	30.46	0.03	0.09

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. 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.

30) 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.

31) TRANSACTION WITH RELATED PARTIES:

All the transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Audit Committee had given omnibus approval for the transactions (which are repetitive in nature) and the same were reviewed and approved by the Board.

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 'H'**) in Form AOC – 2 and the same forms part of this report.

32) 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 including Independent Directors, on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings and the 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.

33) INDEPENDENT DIRECTORS' MEETING:

The Independent Directors of the Company met on February 2, 2021, inter-alia to discuss:

(i) Review the performance of non-Independent Directors and the Board of Directors as a whole;

(ii) Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors;

(iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

34) NUMBER OF MEETINGS OF THE BOARD:

The meetings of the Board of directors held during the period under review are as follows; on 13.6.2020, 1.8.2020, 5.11.2020, 02.02.2021 and 13.05.2021. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

35) 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.

36) AUDIT COMMITTEE:

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

37) 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.

38) TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

As required under Section 124 of the Act, 84510 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 2020–21. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

39) AUDITORS and Audit Reports:

(i) Statutory Auditors and their Report:

The Members at the 28th Annual General Meeting of the Company held on 29th July, 2017, had appointed M/s. M. M. Nissim & Co LLP. 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 28th Annual General Meeting until the conclusion of 33rd 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 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2021.

During the year under review, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

(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 and the certification from 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 2021 – 22, on such remuneration as mentioned in the Notice of the 32nd Annual General Meeting. A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 32nd Annual General Meeting and the same is recommended for your consideration and ratification.

In accordance with Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year ended 31.03.2020 was filed in XBRL on 12.03.2021 vide SRN: T08436867 with the Ministry of Corporate Affairs, New Delhi.

During the year under review, the Cost Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

(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 31st March, 2021. The Secretarial Audit Report issued in this regard is annexed as **Annexure – J**. The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2021 do not contain any qualification or reservation or adverse remark.

During the year under review, the Secretarial Auditor had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

40) 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

41) 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 'K'** of this report and is also available on Company's website www.vinatiorganics.com

42) 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.

43) APPRECIATION & ACKNOWLEDGEMENTS:

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

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

Registered Office:

For and on behalf of the Board of Directors

B-12 & B-13/1, MIDC Industrial Area,
Mahad – 402 309, Dist. Raigad, Maharashtra.
Tel No.: 022-61240444/428, Fax No.: 022-61240438
Email : shares@vinatiorganics.com
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224
Mumbai, 13th May 2021

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).

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. 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.

E. 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.

During the year Company had installed Roof Top Solar Power of 117 KW in its Mahad Plant. It was commissioned in the month of January 2021.

The Company also in process of Solar Power of 45 KW in its Staff Colony at Lote- Parashuram. It is expected to be commenced by June 2021.

In view of potential saving in energy cost, Company had awarded the contract to set up Solar Power Plant of 6.5 MW at Village – Mangarul, Taluka – Akkalkot, District – Solapur in the state of Maharashtra. The plant is expected to be commissioned during FY 2021-22. It is for captive use of power at its Mahad/Lote Plants.

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, standard, environmental protection measures and conservation of energy improvement.

At Mahad we recover pure NBB.

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

(iii) Future plans of action

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

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, two Whole Time Directors and four Non-Executive & 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. Viral Saraf Mittal, Director (DIN: 02666028) who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Sunil Saraf ceased to be a Non – Executive Director of the Company effective from February 2, 2021.

Further, considering the recommendation of Nomination and Remuneration Committee, Shri Jayesh Ashar (DIN: 00041532) has been appointed as Additional Director and designated as "Director – Operations" of the Company by the Board of Directors in its meeting held on February 2, 2021 with effect from same date and his appointment as Whole-time Director – Operations for the period from February 2, 2021 to March 31, 2024 is being recommended and proposed to the shareholders for their approval in the 32nd AGM to be held on 3rd July, 2021.

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

The Board met four times on the following dates during the financial year 2020 – 21 and the gap between two meetings did not exceed four months:

Date of the Meetings	Total Strength	No. of Directors' present
13 June, 2020	8	8
1st August, 2020	8	8
5th November, 2020	8	8
2nd February, 2021	8	8

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions as held by them in other public limited companies as on 31st March, 2021 are given below:

Name	Category	No. of Board Meetings Attended during 2020 – 21	Whether attended AGM held on 27th September 2020	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	4	No	1	-	-
Mr. J C Laddha Director	Independent Non-Executive	4	Yes	3	2	-
Mr. Sunil Saraf Director (up to 02.02.2021)	Promoter, Non-Independent Non-Executive	3	No	1	-	-
Ms. Vinati Saraf Mutreja Managing Director & CEO	Promoter, Non-Independent Executive	4	Yes	1	-	-
Ms. Viral Saraf Mittal Director – CSR	Promoter, Non-Independent Executive	4	No	1	-	-
Ms. Mona Bhide Director	Independent Non-Executive	4	Yes	3	-	-
Mr. Adesh Kumar Gupta	Independent Non-Executive	4	Yes	6	3	5
Prof M. Lakshmi Kantam	Independent Non-Executive	4	Yes	2	1	1
Mr. Jayesh Ashar (w. e. f. February 2, 2021)	Additional Director - Non-Independent Executive	1	N. A.	-	-	-

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) Independent Directors:

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Listing Regulations. The terms and conditions stating the appointment of Independent Directors as provided in Companies Act, 2013 and the Listing Regulations has been issued and disclosed on the website of the Company viz. www.vinatiorganics.com

Independent director databank registration:

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the

Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

(d) Familiarization Programme for 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.

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

(e) 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.

(f) Non-executive directors were paid only sitting fees during the FY 2020 – 21. The details are as under:

Sr. No.	Name of Directors – Non-executive	₹ in Lacs
1.	Mr. J. C. Ladhha	3.00
2.	Mr. Sunil Saraf (upto February 2, 2021)	1.50
3.	Mrs. Mona Bhide	3.25
4.	Mr. Adesh Kumar Gupta	3.00
5.	Prof M. Lakshmi Kantam	2.75

(g) Shareholdings of Directors as on 31.03.2021 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:

1.	Mr. Jagdish Chandra Laddha	Independent Director – Chairman
2.	Mrs. Mona M. Bhide	Independent Director - Member
3.	Mr. Adesh Kumar Gupta	Independent Director – Member

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

c. Meetings & Attendances

The Audit Committee met four times in the financial year 2020 – 21.

Date of the Meeting	Total Strength	No. of Directors present
13th June, 2020	3	2
1st August, 2020	3	3
5th November, 2020	3	3
2nd February, 2021	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 months, 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

During the financial year under review, Veeral Organics Pvt Ltd. has been incorporated as 100% subsidiary of Vinati Organics Limited (the "Company") on October 5, 2020.

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 4 times during the year 2020-2021 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 2020-21.

Date of the Meeting	Total Strength	No. of Directors present
23rd March 2021	3	2

Details of the investors Complaints received and redressed by the Company during the financial year 2020 – 2021 are as follows:

Opening Balance	Received During the year	Resolved during the Year	Closing Balance
0	16	14	2

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 3 Directors:

1. Prof M. Lakshmi Kantam : Independent Director – Chairperson
2. Mr. Sunil Saraf : Non-Independent Director (up to February 02, 2021)
3. Mrs. Mona M. Bhide : Independent Director– Member (w. e. f. February 02, 2021)
4. Mr. Jagdish Chandra Laddha : Independent Director - Member

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

c. Meetings & Attendances

The Nomination and remuneration Committee met on the following date in the financial year 2020 – 21.

Date of the Meeting	Total Strength	No. of Directors present
June 13, 2020	3	2
February 2, 2021	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 31st March 2021

Managerial remuneration

(₹ in Lacs)

Date of the Meeting	Salary & Allowances	Contribution to PF	Other Perquisites
Mr. Vinod Saraf Chairman	152.00	14.03	1.34
Ms. Vinati Saraf Mutreja Managing Director & CEO	106.40	9.82	9.81
Ms. Viral Saraf Mittal Director – CSR	60.07	5.55	5.25
Total:	**318.47**	**29.40**	**16.40**

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 reviews the process of risk management in your Company and 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 24th March, 2021

d. Power of Risk Management Committee:

The Committee is authorized to exercise all powers and discharge all functions related to risk management. Risk

Management Committee reviews the process of risk management in your company.

9. FINANCE COMMITTEE

a. Constitution

The Finance Committee was originally constituted on 12th May 2012 and reconstituted on 2nd February 2021.

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

Ms. Viral Saraf Mittal, Director – CSR

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

c. Meetings & Attendances

During the period under review 2 Meeting of Finance Committee was held on 20th August, 2020 and 1st December 2020.

d. Power of Finance Committee:

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

10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a. Constitution

As required under Section 135(1) of the Act, the Board has constituted a Corporate Social Responsibility Committee on 10th May 2014 and reconstituted on 27th January 2015 and 13th June, 2020 respectively.

b. Composition

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

Prof M. Lakshmi Kantam- Independent Director – Chairperson

Mr. Vinod Saraf, Chairman of the Company

Ms. Vinati Saraf Mutreja, Managing Director & CEO

Ms. Viral Saraf Mittal, Director – CSR

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
24th March 2021	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 2020-21.

Date of the Meeting	Total Strength	No. of Directors present
24th March 2021	2	2

d. Power of Sexual Harassment Committee:

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

12. INDEPENDENT DIRECTORS MEETING:

Schedule IV to the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, interalia, 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.

During the year the meeting of Independent Directors was held on February 2, 2021, 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
29th AGM - 2018	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.	28/07/2018	Saturday	12 Noon	-
30th AGM - 2019	- do -	27/07/2019	Saturday	12 Noon	3
31st AGM - 2020	Through Video Conferencing (VC)	26/09/2020	Saturday	11.00 A.M	1

b) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2021.

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
September 27, 2020	1. An appointment/continuation of employment of and payment of remuneration to Shri Vinod Saraf as Whole-time Director, designated as "Executive Chairman".
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

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 LLP , 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 Lacs)
Services as statutory auditors (including quarterly audits)	9.50
Re-imbursement of out-of-pocket expenses	0
Total	**9.50**

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 2020 – 21 - NIL

No. of Complaints resolved during the FY 2020 – 21 - NA

14. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulation, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

15. DISCLOSURES

a. Related Party Transactions

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

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

d. No personnel have been denied access to Audit Committee. The Board periodically reviews risk assessment and minimization and procedure through properly defined framework.

e. Disclosures of accounting treatment (Already given in Annual Accounts)

f. Proceeds from Public Issues, Rights Issues and Preferential Issues, etc.: During the year, your Company did not raise any funds by way of Public Issues, Rights Issues and Preferential Issues, etc.

g. Remuneration of the directors (As mentioned under the head of 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 committee (Role of different committees have been elaborated under their respective headings)

m. Voluntary guidelines 2009 - The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of Corporate Governance. Most of the provisions of these guidelines are in place.

n. Finance committee (As mentioned under different heading)

o. ESOS Compensation Committee (The Company does not have the said committee, whereas the Company has a Nomination and Compensation Committee)

16. MEANS OF COMMUNICATION

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

The financial results, shareholding pattern & code of conduct are displayed on www.bseindia.com & www.nseindia.com.

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

17. 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.

18. COMPLIANCE OFFICER

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

19. GENERAL SHAREHOLDER INFORMATION

a. Annual General meeting Date, Time & Venue	Date: 3rd July, 2021, Time: 11.00 a.m. and Venue: Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

b. Financial Calendar	
Annual General Meeting	3rd July, 2021
Unaudited results for the quarter ending June 30, 21	Within 45/60 days from the end of reporting quarter
Unaudited results for the quarter/half year ending Sept' 30, 21	
Unaudited results for the quarter ending Dec'31, 21	
Audited results for the quarter ending Mar'31, 22	

Date of book Closure	26th June, 2021 to 3rd July, 2021
Final Dividend payment date	7th July, 2021

c. Listing on Stock exchange	The Company's Securities are listed on the following stock exchanges in India: **Bombay Stock Exchange Ltd.** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001, Maharashtra. **National Stock Exchange of India Ltd**. Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

d. Stock Code : Bombay Stock Exchange Ltd.	524200
National Stock Exchange of India Ltd.	VINATIORGA
Demat ISIN in NSDL and CDSL for Equity Shares	INE410B01037

The Company has paid Annual Listing Fees for FY 2021-22 to above Stock Exchanges and Custodial Charges to NSDL & CDSL.

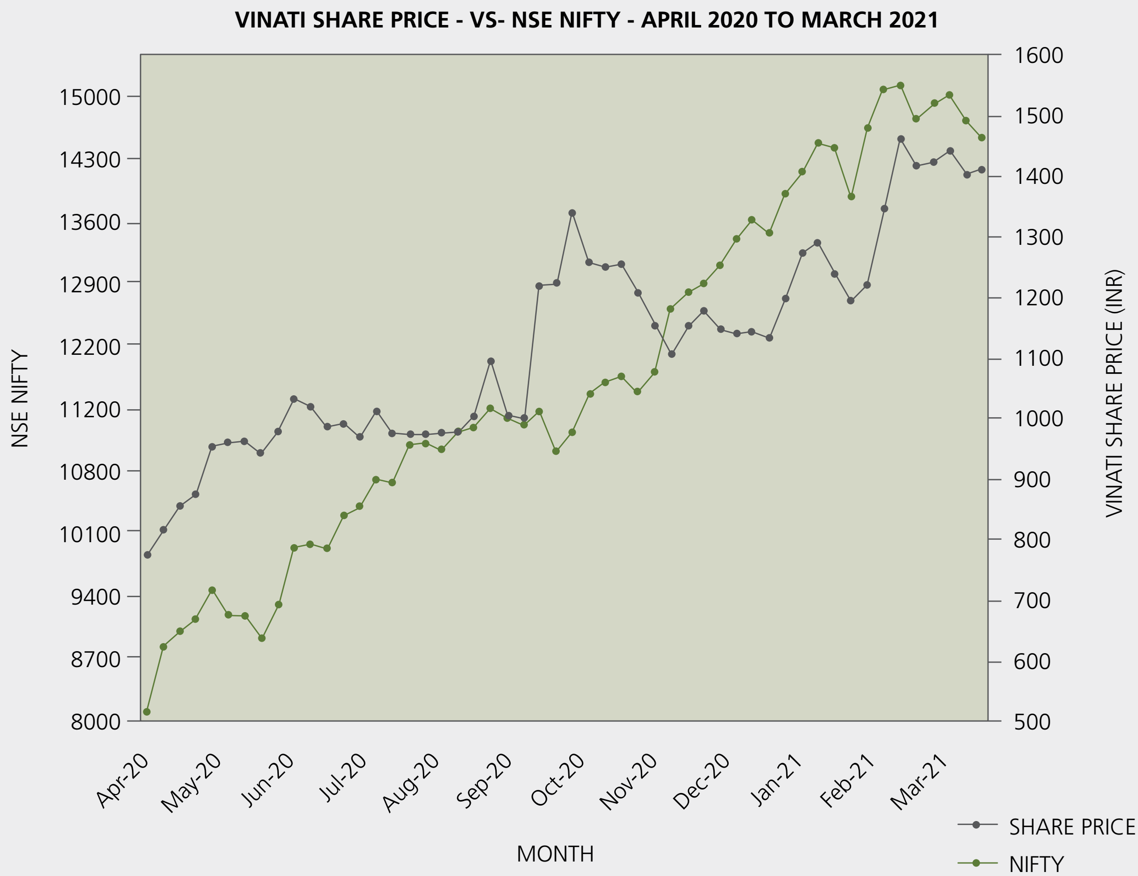
e. **Market Price Data:**

Month & Year	Bombay Stock Exchange Ltd. (in ₹)		National Stock Exchange of India Ltd. (in ₹)	
	High	Low	High	Low
Apr – 2020	1,025	750	1026	750
May – 2020	1048	923	1048	922
Jun – 2020	1079	961	1080	960
Jul – 2020	1044	947	1044	960
Aug – 2020	1197	963	1198	963
Sep – 2020	1418	976	1419	977
Oct – 2020	1391	1181	1390	1181
Nov – 2020	1240	1086	1240	1087
Dec – 2020	1250	1080	1255	1100
Jan – 2021	1379	1176	1378	1175
Feb – 2021	1527	1189	1528	1190
Mar – 2021	1475	1313	1475	1314

f. **The performance of the Company's shares relating to the BSE Index for the year 2020 – 2021 is given below:**

VINATI SHARE PRICE - VS- BSE SENSEX - APRIL 2020 TO MARCH 2021

g. The performance of the Company's shares relating to the NSE Index for the year 2020 – 21 is given below:



h. Share Registrars and Transfer Agents – Link Intime India Pvt. Ltd.

Add.: C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083. Maharashtra	Tel	022 – 4918 6270
	Toll-free number	1800 1020 878
	Fax	022 – 4918 6060
	E-mail	rnt.helpdesk@linkintime.co.in
	Website	www.linkintime.co.in
	Business Hours	11.00 a.m. to 1.00 p.m. & 2.00 p.m. to 4.00 p.m. (Monday to Friday)
	Contact Person	Mr. Ali Shaikh

i. Share Transfer System:

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

j. Distribution of Shareholding as on 31st March 2021.

Category No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1 To 100	48184	81.108	1048613	1.020
101 To 200	3765	6.338	581882	0.566
201 To 500	2712	4.565	917119	0.892
501 To 1000	1441	2.426	1110864	1.081
1001 To 5000	2933	4.937	5382276	5.237
5001 To 10000	198	0.333	1399762	1.362
10001 To 100000	140	0.236	3685939	3.586
100001 and above	34	0.057	88655595	86.256
Total	**59407**	**100.00**	**102782050**	**100.00**

k. Category of shareholders as on 31st March 2021.

Category	No. of share holders	Voting strength (%)	No. of ordinary shares
Individuals	56066	12.448	12794300
Promoters	5	74.061	76121192
Other Companies	434	0.725	745510
Non-Resident Individuals	1713	0.396	406893
Nationalized Banks, Mutual funds and trusts	20	7.004	7198989
FII	81	3.499	3596660
Clearing Members	87	0.038	39424
HUF	991	0.331	340333
IEPF MCA Account	1	1.197	1230522
Insurance Companies	2	0.268	275888
NBFCs Registered with RBI	5	0.010	10358
Alternate Investment Fund	2	0.021	21981
Total	**59407**	**100.000**	**102782050**

l. Dematerialization of shares and liquidity

10,14,44,040 (Total shares demated with NSDL is 6,53,11,567 & CDSL is 3,61,32,473) of the Company's share capital is dematerialized as on 31.03.2021. 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).

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 2021 are as follows:

Financial Year	Amount of Unclaimed Divided transferred ₹ lacs	Number of Shares Transferred
2012-2013	27.73	84510

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 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
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 (Interim)	18-03-2020	17-04-2027
2019-20 (Final)	27-09-2020	29.10.2027

(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).

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).

vii) The policy on dealing with related party transactions is available on Company's website (www.vinatiorganics.com).

viii) The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th 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. 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 31.03.2021.

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

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

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

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

Registered Office:

B-12 & B-13/1, MIDC Industrial Area,
Mahad – 402 309, Dist. Raigad, Maharashtra.
Tel No.: 022-61240444/428, Fax No.: 022-61240438
Email : shares@vinatiorganics.com
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224
Mumbai, 13th May 2021

For and on behalf of the Board of Directors

Vinod Saraf
Chairman
(DIN: 00076708)

Certificate of Non-Disqualification of Directors

{This Certificate is being issued in pursuance to Regulation 34(3) and Schedule V with Para (c) Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.}

To,
The Members,
VINATI ORGANICS LIMITED
B-12 & B-13, MIDC Indl. Area,
Mahad – 402 309, Dist. Raigad, Maharashtra .

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

On the basis of examination and verification, we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority for the Financial Year ending on 31st March,2021.

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

Sr. No.	Name of the Director	DIN	Type of the Director	Status of the Director
1	Jagdish Chandra Laddha	00118527	Non-Executive & Independent Director	Active
2	Vinod Banwarilal Saraf	00076708	Whole-time Director designated as "Executive Chairman"	Active
3	Jayesh Ajitkumar Ashar	00076887	Whole-time Director designated as "Director – Operations"	Active
4	Vinati Saraf Mutreja	00079184	Whole-time Director designated as "Managing Director and Chief Executive Officer"	Active
5	Viral Saraf Mittal	02666028	Whole-time Director designated as "Director – CSR"	Active
6	Mona Mukund Bhide	05203026	Non Executive and Independent Director	Active
7	Adesh Kumar Gupta	00020403	Non Executive and Independent Director	Active
8	Lakshmi Kantam Mannepalli	07831607	Non Executive and Independent Director	Active

*Mr. Sunil Banwarilal Saraf has ceased as director of the Company effective from Feb 2, 2021.

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

For **VKM & Associates**
Practicing Company Secretaries

(Vijay Kumar Mishra)
Partner
COP No. : 4279
UDIN: F005023C000359401

Place : Mumbai
Date : 13th May, 2021

CEO / CFO Certificate

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 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
13th May, 2021

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

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

I, Vinati Saraf Mutreja, Managing Director & CEO of Vinati Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2021.

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, Executive President, Sr. Vice President and the Company Secretary as on 31st March 2021.

On behalf of the Board of Directors

Mumbai
13th May, 2021

Vinati Saraf Mutreja
Managing Director & CEO

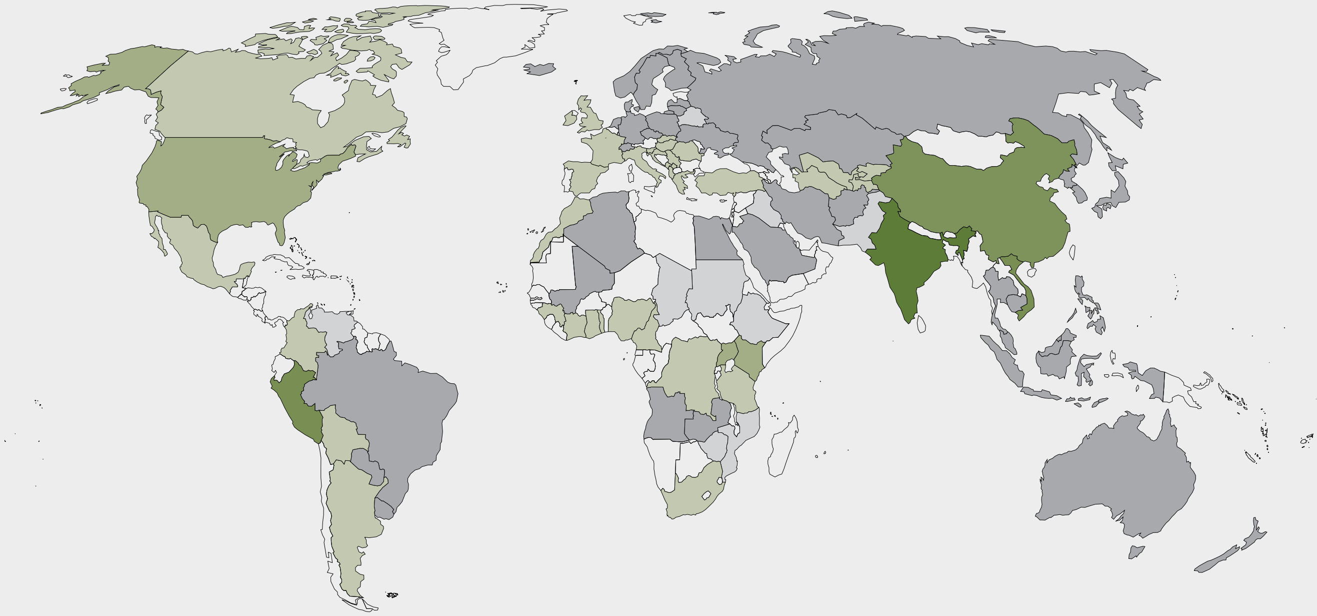
Annexure 'D'

Management Discussions and Analysis (MD&A)

Global Economy Overview

Following a collapse in FY20 caused by the Covid-19 pandemic, global economic output is still expected to remain below pre-pandemic projections.

The International Monetary Fund (IMF) predicts the world economy will expand 6% this year[2], an update to the forecast made in January 2021 projecting a 5.5% global growth.[3]



Source: International Monetary Fund

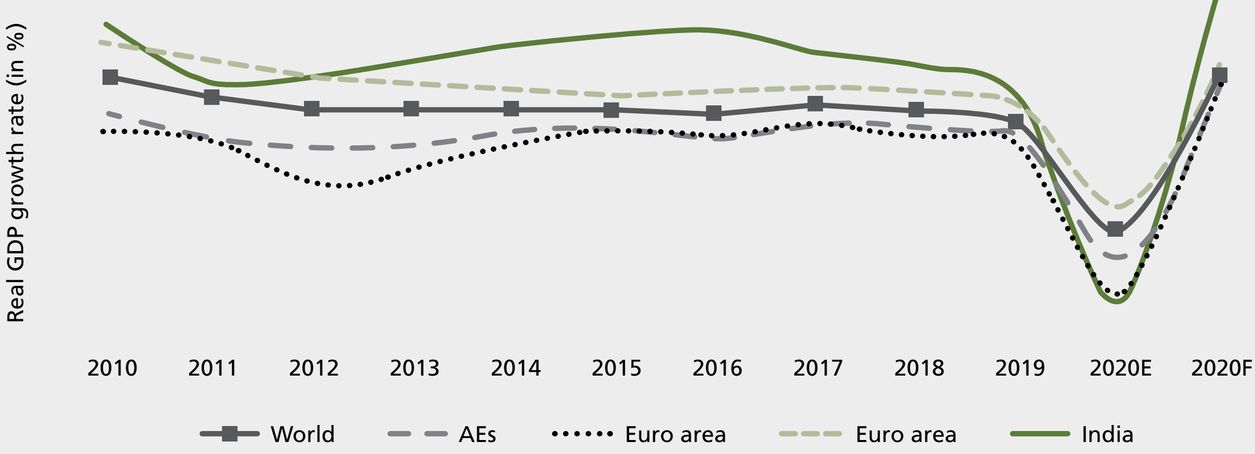
The global recovery has been incomplete and unequal and recovery paths have also been different across countries as well across sectors. There is a lot of uncertainty over how prolonged the health crisis will be as access to vaccines remains very uneven, both across advanced and emerging economies.[3] The US is forecasted to be on a stronger path of recovery than before the pandemic on the back of distribution of Covid-19 vaccines and a vast stimulus package but other advanced economies are not far behind in the medium term.[1] Europe's two largest economies – Germany and France, both saw unexpected declines in industrial production in February 2021, suggesting that coronavirus restrictions are increasingly affecting parts of the economy that have proved resilient so far.[2] The expected recovery in 2021 and beyond will depend heavily on the how the countries tackle the pandemic, which will in turn be influenced by the possibility of widespread effective vaccinationError! Bookmark not defined..

Indian Economy Overview

India has emerged as a leading economy in the world and its GDP has grown at an average rate of about 7% in the last two decades, despite major recessions and economic slowdowns. Similar to the global economy, the impact of the Covid-19 pandemic on the Indian economy has been severe.[4] The contraction of GDP by 7.3% in FY2020-21 is much smaller than originally forecasted. India has been successful in showing signs of recovery and entered the New Year with cautious optimism. Agriculture being one of the least impacted by lockdown measure has continued to remain resilient and robust.

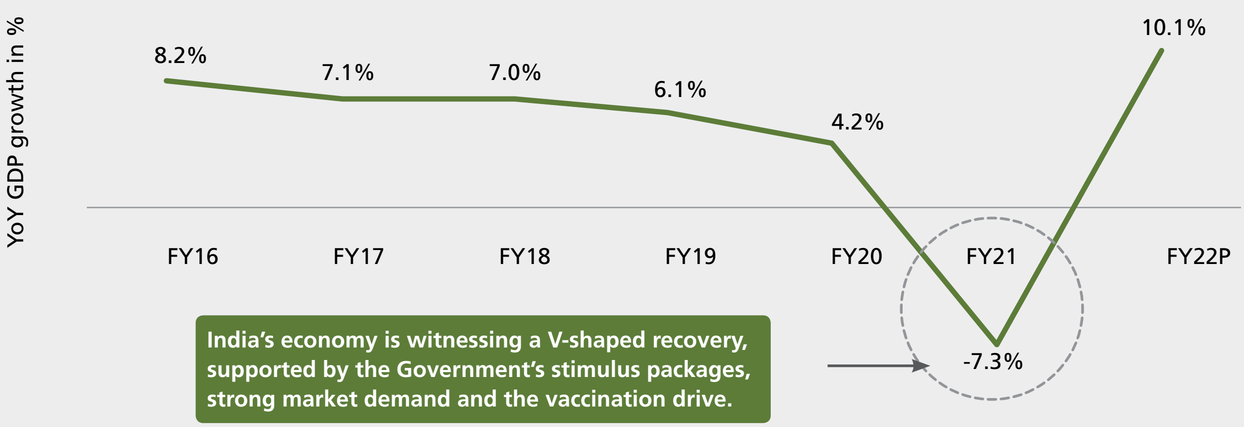
[2] https://www.bloomberg.com/news/articles/2021-04-09/charting-the-global-economy-imf-upgrades-world-growth-forecast
[3] https://www.imf.org/en/News/Articles/2021/03/20/sp-global-economy-2021-prospects-and-challenges
[4] https://www.pwc.in/assets/pdfs/publications/2021/india-a-global-manufacturing-hub-for-chemicals-and-petrochemicals.pdf

GDP Growth



https://www.indiabudget.gov.in/doc/bh1.pdf

YoY GDP growth rate of India (FY 16-20)



An anticipated recovery in global demand will also help buoy the export sector through 2021. Also, the deeper than expected downturn in 2020 explains in part the stronger recovery now projected for 2021.[6] India's growth is estimated to surpass the major economies of the world in the near term. The presence of a strong domestic market coupled with a large working population, a stable political environment, positive outlook towards reducing emissions and focus on innovation make India a promising destination for manufacturing sector.[5]

Global Chemicals Industry

The Global Chemical Industry is undergoing a phase of structural transformation where economic and geopolitical trends, new technologies and changing consumer demands are challenging companies' bottom line and future profitability.[7] There has been a decline in the growth rate of the demand for chemical products due to accelerating deglobalisation and potential regulation to curb climate change. While chemicals will remain a global industry,

[7] https://www.pwc.com/gx/en/ceo-survey/2020/trends/chemicals-trends-2020.pdf

with China as its biggest single market, the potential decoupling of China may create challenges for global companies. U.S. and European companies have faced pressure from institutional investors and significant lenders to re-base supply chains away from Chinese operations, closer to their core markets. Downstream Industries are seeking alternative manufacturing locations to serve their Japanese, Korean and ASEAN customers. This process is predicted to accelerate as more companies begin to seek lower cost locations than China for some time.[8]

Chemical companies are looking to increasingly leverage remote and digital sales channels to promote a contactless environment.[9] The Covid-19 pandemic resulted in development of solutions which brought forth the power of digital platform through remote working and operation of plant control systems.

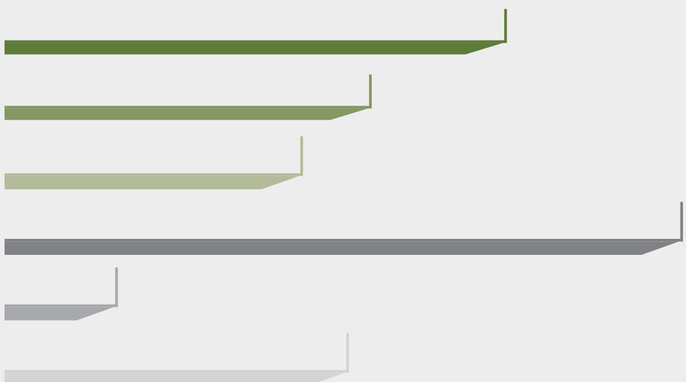
Outlook:

Global Chemical production (excluding pharmaceuticals) is expected to grow by 4.4% (2020: -0.4%) in 2021, which is above average for the years prior to the Covid-19 pandemic. This growth will be seen predominantly in emerging markets (2021: +5.4%; 2020 +1.8%). In advanced economies, a growth rate of 2.5% (2020: -4.2%) is anticipated, which is above average for pre-crisis years. The level of production from 2019 will thus already be surpassed in 2021 in emerging markets. Overall production in advanced economies will presumably still be considerably lower.[10]

Outlook for chemical production 2021 (excluding pharmaceuticals)

Real change compared with previous year

World	4.4%
European Union	3.2%
United States	2.6%
Emerging market of Asia	5.9%
Japan	1.0%
South America	3.0%



Covid-19 Impact:

The Chemicals Industry has been significantly impacted by the Covid-19 outbreak leading to decline in revenues of the major chemicals companies in the world.[11] The dual effects of Covid-19 related economic downturn and the oil price collapse reverberated across the chemicals as well as several other industries. The advent of Covid-19 has weakened the automotive and construction sectors (along with many other sectors) and disrupted existing supply chains.[12] While keeping their employees safe, management teams have spent significant time and effort to maintain supply chains, procuring necessary raw materials and dealing with a host of new regulations and practical difficulties. The Covid-19 crisis has accelerated some developments (such as digitization, flexible work arrangements, and geopolitical tensions); however, the overall strategic context in which the chemical industry operates and the fundamental trends remain unchanged.Error! Bookmark not defined.[10]

[8] https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/07/new-realities-for-the-global-chemicals-industry.pdf

[9] https://www.pcimag.com/articles/108411-chemical-industry-outlook#:~:text=The%20Chemical%20Market%20Enters%20a%20Period%20of%20Profound%20Transition&text=As%20the%20industry%20moves%20into,role%20in%20shaping%20its%20future.&text=In%20this%20chemical%20industry%20outlook,emerging%20in%20the%20coming%20year.

[10] https://report.basf.com/2020/en/managements-report/forecast/economic-environment/chemical-industry.html

[11] https://www.chemicals-technology.com/features/top-ten-chemical-companies-in-the-world/

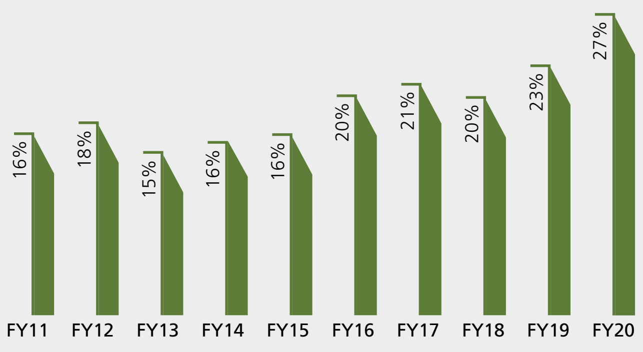
Indian Chemicals Industry

The Indian Chemical Industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers.[15] India's chemical industry was estimated to be worth USD 178 billion in FY20. In terms of demand, the industry has grown at approximately 1.3 times the country's average GDP growth in the last five years and shows a strong linkage with its GDP.[13] The Indian chemical sector has a network of 200 national laboratories and 1,300 research & development (R&D) centres which provide a strong base to become a hub for innovation.[14]

Highlights:

- India's chemical industry, the 6th largest producer of chemicals in the world,[15] forecasted to reach USD 300 billion by FY 2025 and potentially to contribute to India's vision of being a USD 5 trillion economy.[16]
- India ranks 9th in export and 6th in import of chemicals (excluding Pharmaceuticals products) globally.[15]
- Export of chemicals and chemical products grew at a CAGR of 7.2% between FY16 and FY20 and demand of chemical products is expected to grow at approximately 9% per annum during 2020-25.[15]
- The Indian chemical industry employs more than 2 million people.[15]

EBITDA % of Indian Chemical Companies



Source: Bloomerg, Company, JM Financial

Most chemical companies benefited from stable and lower feedstock prices, even as the prices of final products increased during 2HFY21, supporting margins. India's push for self-sufficiency coupled with efforts towards supply chain diversification away from China is enabling large capital expenditure.[17] large fines imposed on other non-compliant actors. The state also worked on getting it's industries to adhere to strict emission standards using eco-friendly technology. This resulted in chemical companies taking a big hit on both revenue and profit levels. However, this presents Indian chemical companies with an opening to take advantage of the weakened Chinese chemicals industry and fill the ongoing vacuum caused by the slowdown in supply from China.[18]

Opportunities:

- Indian Chemical industry stands at cusp of taking majority of the world's market share, with several legal and pollution issues in China. Most Indian companies are largely compliant with emission norms after having spent significantly on eco-friendly technology. But all this spending made their products less competitive (price-wise) against Chinese products since last decade. Now with the sudden shift in supply dynamics, Indian chemical companies are turning around the corner, witnessing higher capacity utilisation levels, improvement in economies of scale and improving margins.[18] By capturing sizeable share of global market away from China, Indian Chemical Industry will potentially double in size by encouraging investment through incentives and ease of doing business.[19]
- Focus on Research & Development can help India become a global hub in speciality chemicals. With the proper innovative spirit and birth of new creative products, there is a tremendous opportunity for India to prosper in the chemical industry space.
- Production Linked Incentives (PLI) is a good measure to motivate the industry and quickly put up investments and start commercial sales. For Make in India, to be successful, base industries like chemicals need to be incentivised. With government support on fast tracked PLI schemes, the chemicals industry can witness significant growth in the near short-term. Also, the upgradation of the PCPIRs (Petroleum, Chemicals and Petrochemicals Investment Region) can potentially facilitate better planning and incentivize investment in the regions.

[12] https://www2.deloitte.com/us/en/insights/industry/oil-and-gas/covid-19-chemicals-industry-impact.html
[13] https://www.pwc.in/assets/pdfs/publications/2021/india-a-global-manufacturing-hub-for-chemicals-and-petrochemicals.pdf
[14] https://www.thehindubusinessline.com/economy/indian-chemical-sector-can-emerge-as-global-manufacturing-hub-gowda/article33339177.ece
[15] https://www.investindia.gov.in/sector/chemicals
[16] https://pib.gov.in/PressReleseDetailm.aspx?PRID=1700280
[17] https://www.indiaratings.co.in/PressRelease?pressReleaseID=54167&title=FY22-Chemicals-Outlook%3A-Import-Substitution-and-China-Plus-One-Strategy-to-Drive-Volume-Growth

- Global companies are speeding up sustainability for the chemical industry and Indian chemical companies are also understanding the need to align themselves with this goal. It presents an opportunity to the Indian Industry to adopt global best practises, with support through regulations as well as incentives.[19]

Outlook:

- The Indian Chemical Industry is forecasted to reach USD 300 billion in the next five years. For reaching this summit, the Indian chemical industry requires a focus to accelerate its production, increase its attention and budget on R&D, financial support from the government, faster environment clearances from the ministry and collaboration with foreign counterparts.[20]
- The chemical sector is expected to grow at 1.2x-1.3x of the GDP multiplier in FY22. Chemical producers are forecasted to generate strong cash flows from operations, given the volume uptick across end-user industries, higher realisations and stable feedstock prices.[17]
- Union Minister of Chemicals & Fertilizers has informed that and investments of ₹8 lac crore is anticipated in the Indian Chemicals and Petrochemicals industry (ICPI) by 2025. Also, the government has launched 12 PLI schemes for different sectors which will directly or indirectly benefit the chemicals sector.[22] India has huge potential to emerge as the global manufacturing hub, and the government plans to provide world class infrastructure and logistics to make this possible.[14]

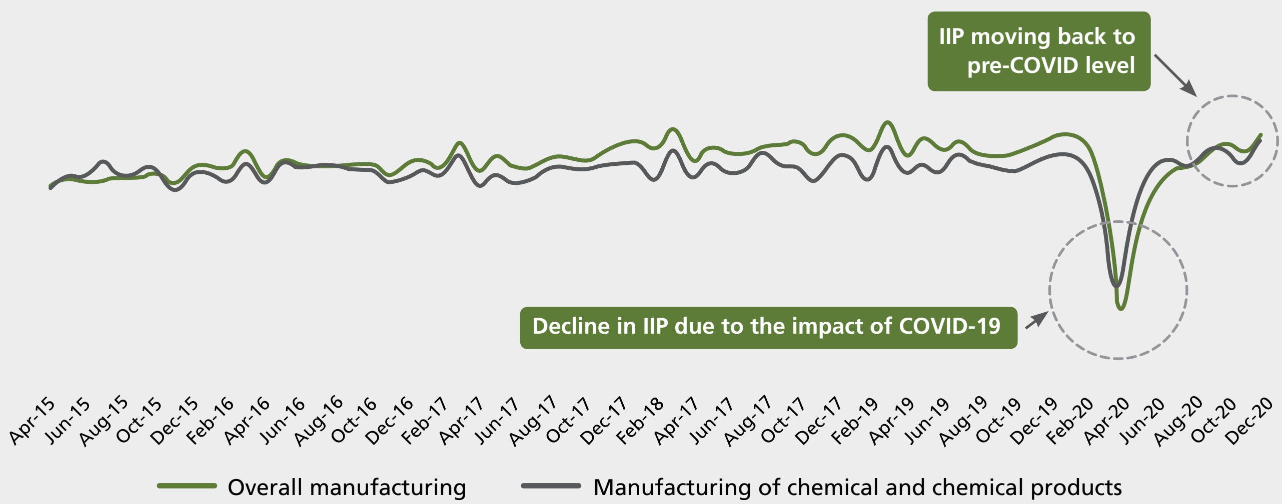
Covid-19 Impact:

Government imposed regulations and ordered lockdown to prevent spread of the Covid-19 virus. Shut down for essential items was lifted within 2 days but majority of labour migrated to native places resulting in labour shortage and low plant utilization levels.

Covid-19 has severely affected the Indian chemical Industry and disrupted supply chains and the demand for chemicals. Consequently, it is expected to show a downturn in FY21 while still adapting to the shock expected in India's GDP. It has led to previously unseen large-scale disruptions. The GDP is expected to contract by 9% in FY21 owing to the Covid-19 pandemic, followed by a bounce-back with over 10% in FY22, surpassing major economies in the world.[23]

IIP comparison between overall manufacturing of chemicals

IIP trends in the manufacturing sector, April 2015 - Dec 2020



Source: Ministry of Statitics and Programme Implementation

[18] https://finshots.in/markets/specialty-chemical-segment/
[19] https://www.indianchemicalnews.com/webinar/indias-chemical-industry-outlook-2021-15
[20] https://www.indianchemicalnews.com/assets/compendium_assets/ICN-Chemical-Outlook-Compendium.pdf
[21] https://www.outlookindia.com/newsscroll/govt-calls-for-structural-changes-in-domestic-chemical-industry/2059968
[22] https://pib.gov.in/PressReleasePage.aspx?PRID=1705524

Specialty Chemicals Industry Overview

Specialty Chemicals are distinct chemical products finding application across several downstream industries. Built on the foundation of research and development, their application is limited, unlike commodity chemicals, which finds multiple use.[24] Specialty chemicals can be single chemical entities or formulations whose composition sharply influences the performance and processing of the customer's product . This gives specialty chemicals an edge, both in terms of customer loyalty and product differentiation. Most specialty chemical formulations are patent protected and not easy to replicate, which gives them better pricing and higher yields. In addition, specialty chemicals have potential to generate higher revenues and margins compared to the commodity businesses.[18]

Indian Specialty Chemicals Industry

India's specialty chemicals market is expected to grow to USD 64 billion by 2025 and is the fastest growing specialty chemicals market in the world.[26] Specialty chemicals account for a major share of more than 50% of chemical exports, dominated by agrochemicals, dyes and pigments.[13] Specialty chemicals constitute for 22% of the total chemicals and petrochemicals market in India. Demand for specialty chemicals is expected to register 12% CAGR in 2019-2022. Specialty chemicals are seeking at import substitutions while exploring export opportunities to accelerate their business.[28]

The Indian Specialty chemical sector, which had witnessed healthy revenue growth in the past few years aided by growth in domestic demand as well as increasing exports, was adversely impacted in the first quarter of 2020-21 due to the Covid-19 induced lockdowns and disruptions. There was recovery in Q2 FY2021 in the specialty chemical sector driven by improvement in demand from segments like pharma, FMCG, agro-chemicals, personal care and food segments & improved export demand for specialty chemicals.[27]

Key Growth Drivers

- 100% FDI under the automatic route in the chemical sector, except for hazardous chemicals. Domestic and overseas companies investing in Greenfield or brownfield projects.[28]
- Higher disposable incomes have resulted in increased demand for ability to purchase chemical based products from the market. Along with the accelerated development of digital solutions in the last year due to the Covid-19 pandemic, procurement via online shopping has made such products way more accessible. Also, there is growing shift towards environment-friendly products which has been a major factor for changes in the industry.[28]
- Rise in domestic demand: by 2030, India is likely to have approximately 80% of the households in the middle income group. The growing middle class and increasing urbanisation is driving demand for personal care, agrochemicals, food, paints & coatings resulting into higher consumption of chemicals per capita.

Business Overview

Vinati Organics Limited (VOL) is a leading manufacturer of specialty chemicals and organic intermediaries with a increasing market presence spanning across 35 countries in the world. With more than three decades of experience in the industry, the Company has evolved from being a single product manufacturer to an integrated player, offering solutions to some of the largest industrial and chemical companies across US, Europe and Asia. With two state-of-the-art manufacturing units in Maharashtra, the Company is the world's largest manufacturer of Isobutyl Benzene (IBB) and 2-Acrylamido 2 Methylpropane Sulfonic Acid (ATBS) and India's largest manufacturer IsoButylene (IB) and Butyl Phenols.

Core Strengths

Research – Insights and expertise into complex chemistry and continued focus on research & development.

Market Leadership – The Company is a market leader in the industry segments it operates and enjoys global leadership in IBB and ATBS and domestic leadership in Butyl Phenols, 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.

Synergies– The Company lays great emphasis on synergies which has augmented its quest for global leadership and helps to retain its competitive advantage.

Human Resources

The employees of the company are an integral part to company's business operations. The company has supported the employees at all times and are determined to provide a safe place and healthy work environment. Training, upgrading skills and developing a stellar workplace attitude are key focus areas for the development of the employees. 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

[24] https://www.hdfcsec.com/hsl.docs/Indian%20Chemical%20-%20Sector%20Thematic%20-%20HSIE-202009040850150137062.pdf

[25] https://ihsmarkit.com/products/specialty-chemicals-industry-scup.html#:~:text=In%20the%20strictest%20sense%2C%20specialty,processing%20of%20the%20customer's%20product.

[26] http://www.ficci.in/events-page.asp?evid=25011

[27] https://www.icraresearch.in/research/ViewResearchReport/3466

[28] https://www.ibef.org/industry/chemical-industry-india.aspx

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. We have one of lowest attrition rates in the industry. The company continues to attract and retain those who are qualified and experienced, who possess the competence and ability to flourish into the 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:** The prolong demand & supply disruption due to the pandemic significantly affected the growth prospects of the Indian and global economy. The recent second wave of COVID-19 has further dampened the growth potential. 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 9001:2015, ISO 14001:2015 and ISO 45001: 2018 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 9%, and the EBITDA and PAT decreased by 18% and 19% respectively.

(₹ in Lacs)

Particular	2020-21	2019-20	YoY Change (in %)
Total Income	98,011	1,07,386	-9%
EBITDA	37,838	45,893	-18%
PAT	26,934	33,382	-19%
Net Worth	1,54,341	1,27,941	21%

Key Ratios

(₹ in Lacs)

Particular	2020-21	2019-20
Total Debt Equity Ratio (X)	0.00	0.00
Current Ratio (X)	6.17	7.22
Interest Coverage Ratio (X)	3,773.53	439.30
Receivables Turnover Ratio (X)	3.98	4.62
Inventory Turnover Ratio (X)	5.36	6.43
Operating Profit Margin (%)	34%	40%
Net Profit Margin (%)	27%	31%
Net Worth (₹ Lacs)	154,341	127,941

Outlook

In FY21, due to the pandemic and the overall global slowdown, ATBS sale was impacted but we are seeing strong uptake across geographies and across applications for ATBS in FY22. Butyl Phenols which was introduced in FY21, is expected to grow in double digits . IBB, IB derivatives and the rest other products will continue to be on the growth path in FY22.

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 Organcs Limited

1. We, M M Nissim & Co LLP, 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 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2021.

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 LLP
Chartered Accountants
Firm Reg. No.: 107122W/W100672

(N. Kashinath)
Partner
Membership No. 036490
UDIN: 21036490AAAAFP9454

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

Mumbai, 13th May, 2021

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, 2021 employed for whole of the year.

Sr. No.	Name	Designation & nature of duties (as at March 31, 2021)	Qualification	Age (Yrs.)	Date of Joining	Total Experience	Gross Remuneration received (₹ in Lacs)	Previous employer	Designation
1	Mr. Vinod Banwarilal Saraf	Chairman	Master of Business Administration from BITS, Pilani	71	15.06.1989	51	167.37	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2	Ms. Vinati Saraf Mutreja	Managing Director & CEO	Bachelor's of Science in Economics (Finance) from The Wharton School and Bachelors in Applied Science from the School of Engineering (University of Pennsylvania)	37	20.05.2006	16	126.03	Mercer Oliver Wyman	Consultant

Annexure 'G'

ANNEXURE -II

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL

YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.

At Vinati Organics Ltd (VOL), we believe that there is no greater gift than the gift of giving. Being a Speciality Chemical Manufacturing Company committed to clean and green technology, we want to carry forward that same socially responsible attitude while giving back to our Communities. Through our CSR initiatives we empower and nurture the rural communities around our manufacturing sites.

By prioritizing VOL focus on education, rural development, skilling, entrepreneurship and employment it seeks to help people and communities bridge the opportunity gap. VOL also supports health, wellness, water, sanitation and hygiene needs of communities, especially those that are marginalized. VOL also supports conservation and relief efforts to communities at the time of natural and man-made disasters.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy of the Company is available on website of the Company at www.vinatiorganics.com

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prof. M. Lakshmi Kantam	Chairperson of the CSR Committee	1	1
2	Mr. Vinod Saraf	Chairman of the Company		1
3	Ms. Vinati Saraf Mutreja	Managing Director & CEO		1
4	Ms. Viral Saraf Mittal	Director – CSR		1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.www.vinatiorganics.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). – **Impact Assessment is not applicable for FY 2020-21**.

   Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate

5. Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2017-18	-	-
2	2018-19	-	-
3	2019-20	-	-
	TOTAL	-	-

6. Average net profit of the company as per section 135(5). – **₹3,51,10,62,667**

7. (a) Two percent of average net profit of the company as per section 135(5) – **₹7,02,21,253**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NIL**

   (c) Amount required to be set off for the financial year, if any - **NIL**

   (d) Total CSR obligation for the financial year (7a+7b- 7c). – **₹7,02,21,253**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,84,57,055	10,000	12/04/2021			
	5,000	16/04/2021			
	1,50,00,000	22/04/2021			
	2,67,50,000	27/04/2021			
	4,17,65,000	Total			

   (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project.							Mode of Implemen tation – Through Imple-menting Agency	
Sl. No.	Name of the Project.	Item from the list of activ-ities in Sche-dule VII to the Act	Local area (Yes /No).	State	Distr-ict.	Project durat-ion.	Amount allocated for the project (in ₹).	Amount spent in the current fina-ncial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implem-entation-Direct (Yes / No).	Name	CSR Regist-ration number
1	Education Employment enhancing vocational skills	ii vii	Yes	Maharashtra	Palghar	2 years	2,50,00,000	25,00,000	2,25,00,000	No	Collective Good Foundation	CSR00001648
2	Rural Development Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water.	x i.	Yes	Maharashtra	Mahad	1 Year	2,00,00,000	39,25,000	1,60,75,000	No	Swades Foundation	CSR00000440
3	Drinking Water Project	i.	Yes	Maharashtra	Khed	1 Year	32,17,900	27,900	31,90,000	Yes	-	-
	TOTAL						**4,82,17,900**	**64,52,900**	**4,17,65,000**			

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Location of the project.				Mode of Implementation – Through Imple-menting Agency	
Sl. No.	Name of the Project.	Item from the list of activ-ities in Sche-dule VII to the Act	Local area (Yes / No).	State	Distr-ict.	Amount spent for the project (in ₹).	Mode of implemen-tation – Direct (Yes/ No	Name	CSR Regist-ration number
1	Amount paid towards Social Fund - Water	i.	Yes	Maharashtra	Lote	2,22,000	Yes	-	-
2	Sponsorship for higher education	ii.	Yes	Maharashtra	Lote	13,11,680	Yes	-	-
3	Amount paid towards sponsorship for two Post Doc Fellowship (PDF) candidate under Prof. Lakshmi Kantam & Prof. V K Rathod	ii.	Yes	Maharashtra	Lote	13,20,000	Yes	-	-
4	Amount paid for capacity building and consulting for educational NGO's	i.	Yes	Maharashtra	Lote	12,00,000	Yes	-	-
5	Stipend paid to Interns	i.	Yes	Maharashtra	Lote	1,00,599	Yes	-	-
6	Amount paid as general donation providing grants to other NGO's that are engaged in creating positive social impact & other related incidental expenses.	i.	Yes	Maharashtra	Lote	2,50,000	Yes	-	-
7	To reach 5 million adolescents over five years to change the lives of adolescents across four critical outcomes a) completion of secondary education, b) delay the age at marriage, c) delay age of first birth or d) increased agency	x.	Yes	Maharashtra	Lote	16,66,666	Yes	-	-
8	Environment protection contribution paid	i.	Yes	Maharashtra	Lote	2,25,000	Yes	-	-
9	PM CARES Fund	i.	Yes	Maharashtra	Lote	1,00,00,000	Yes	-	-
10	Covid Relief - Provided food grains to needy people due to Covid-19 pandemic	i.	Yes	Maharashtra	Lote	5,05,210	Yes	-	-
11	Purchase of PPE Kits for Policemen	i.	Yes	Maharashtra	HO	1,03,000	Yes	-	-
12	Amount paid as contribution for construction at Covid Centre at Mahad	i.	Yes	Maharashtra	Mahad	11,00,000	Yes	-	-
13	Amount paid of purchase of Garbage Tipper for Grampanchayat Kambale Tarfe Mahad	i.	Yes	Maharashtra	Mahad	6,00,000	Yes	-	-
	TOTAL					**1,86,04,155**			

(d) Amount spent in Administrative Overheads ₹34,00,000

(e) Amount spent on Impact Assessment, if applicable Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹2,84,57,055

(g) Excess amount for set off, if any ₹802

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

(a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount rema-ining to be spent in succee-ding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2017-18	-	69,18,405				3,07,52,595
2	2018-19	-	2,80,20,249				1,16,23,751
3	2019-20	-	3,66,96,362				1,88,53,638
	TOTAL	**-**	**7,16,35,016**				**6,12,29,984**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project -Completed /Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

    (asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/-
Ms. Vinati Saraf Mutreja
Managing Director & CEO
Mumbai
13th May, 2021

Sd/-
Prof. M. Lakshmi Kantam
(Chairperson CSR Committee).
Mumbai
13th May, 2021

Sd/-
Mr. N. K. Goyal
Chief Finance Officer
Mumbai
13th May, 2021

Annexure 'H'

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 2020-21.

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 Alkalis Limited (VAL) & Veeral Additives Pvt. Ltd. (VAPL), Associate Companies of VOL. Contract was entered for the year 2020-21.

   b. Nature of contracts / arrangements / transactions: The details of transactions made during the year are as under:

Particulars	Year ended 31.03.2021 (₹ in Lacs)
Sales - Viral Alkalis Ltd	4.57
Purchase - Viral Alkalis Ltd	677.88
Rent of Immovable property-Viral Alkalis Ltd	5.80
Sales - Veeral Additives Pvt. Ltd.	1,088.15
Purchase - Veeral Additives Pvt. Ltd.	98.61
Rent of Immovable property- Veeral Additives Pvt. Ltd.	4.80
Interest Income - Veeral Additives Pvt. Ltd.	75.87
Loan given to - Veeral Additives Pvt. Ltd.	13,186.40

These are only related party transaction done during the year.

Annexure 'I'

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 'J'

Secretarial Audit Report

FORM MR-3

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[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 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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 ;

   i. The Factories Act, 1948.

   ii. The Payment of Wages Act, 1936.

   iii. The Minimum Wages Act, 1948.

   iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952.

   v. The Payment of Gratuity Act, 1972.

   vi. The Bombay Shops and Establishments Act, 1948.

   vii. The Maharashtra Labour Welfare Fund Act, 1953.

   viii. The Environment (Protection) Act, 1986.

   ix. The Industrial Dispute Act, 1947

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

I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review, the following changes in the Board of Directors have taken place
  - Cessation of Mr. R. K. Saraswat as Non-Executive (Independent) Director of the Company effective from April 01, 2020.
  - Appointment of Mr. Jagdish Chandra Laddha as Non-Executive (Independent) Director of the Company effective from June 13, 2020.
  - Resignation of Mr. Sunil Saraf Non-Executive (Non-Independent) Director of the Company effective from February 02, 2021.
  - Appointment of Mr. Jayesh Ajitkumar Ashar an Additional Director- Whole-time Director of the Company effective from February 02, 2021.

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**
Practsing Company Secretaries

(Vijay Kumar Mishra)
Partner
COP No. : 4279
UDIN : F005023C000294675

Place : Mumbai
Date : 13th May, 2021

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

Annexure A to the Secretarial Audit Report

To,
The Members,
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**
Practsing Company Secretaries

(Vijay Kumar Mishra)
Partner
COP No. : 4279
UDIN : F005023C000294675

Place : Mumbai
Date : 13th May, 2021

Annexure 'K'

Business Responsibility Report for FY 2020-21

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, 2020 – March 31, 2021.
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, 2021

Sl. No.	Particulars	FY 2020-21 ₹ in Lacs
1	Paid up capital	1027.82
2	Total turnover	94218.06
3	Total profit after taxes	26933.65
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.06%

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 spent ₹284.57 Lacs for various CSR activities such as health, education, society upliftment, wildlife protection, environment preservation, sectorial industrial research etc.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary company / companies? : YES, the Company has 1 Subsidiary company
2. Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? No
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] NO

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/ policies: 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. The Company has got certification under various categories like ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 etc.								
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	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. **Annually**

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, 16 complaints were received from investors during the year FY2020-21 and all but two have been resolved. Complaints/ grievances from other stakeholders are dealt with on an ongoing basis by the respective departments within the Company.

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

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

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

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

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

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

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

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

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

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

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

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

1. Please indicate the total number of employees: 953
2. Please indicate the total number of employees hired on temporary/ contractual/casual basis: 497
3. Please indicate the number of permanent women employees: 31
4. Please indicate the number of permanent employees with disabilities: 4
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 16 complaints were received from investors and all but two complaints have been resolved, as on March 31, 2021.

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 has given assignment to generate solar power in a solar park near Solapur. The power generated will be given to Mahad plant which will reduce the dependence on MSEB and more importantly convert major part of electricity generated from coal to renewable energy thereby reducing green house emissions.

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.

   Please refer to the detailed impact analysis of the CSR spend in the report covered earlier in this Annual Report.

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

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

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

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

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

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

   There is no such instance.

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

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

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 2021, 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, 2021, 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 Ind AS 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.

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	**Defined benefit obligation** 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.	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. 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.

Sr. No.	Key Audit Matter	Our Response
2	**Evaluation of uncertain tax positions** The Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** We performed the following substantive procedures: Obtained details of completed tax assessments and demands upto March 31, 2021 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, 2021 to evaluate whether any change was required to management's position on these uncertainties. **Conclusion** We agree with management's evaluation.

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 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 Ind AS 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.

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 director 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 LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai, 13th May 2021
UDIN : 21036490AAAAFN9521

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

i) In respect of its Property, Plant and Equipment:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

b) 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;

c) 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 except goods-in-transit has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. In view of the COVID-19 pandemic, we were unable to participate in physical verification of inventory that was carried out by the management and internal auditors of the Company close to the year end. Consequently, we have performed alternate procedures to audit the existence of the inventory as per the guidance provided in the standards on auditing.

iii) The company has granted unsecured loans to two companies covered in the registered maintained under Section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to the companies covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to the companies and the interest thereon are repayable as per contractual terms of the loan agreements. The borrowers have been regular in payment of principal and interest as per the contractual terms.

c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to companies by the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013; in respect of loan granted to a Company (proposed to be amalgamated with the Company) during the year amounting to ₹ 13,186.40 Lacs, for which approval of the Shareholders is sought in the ensuing Annual General Meeting (Refer Note 28(m) to the Standalone Financial Statements). Further the Company has complied with provisions of Section 186 of the Companies Act, 2013 with respect of loan granted, and investments made by the Company.

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, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2021 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	₹ Lacs
CUSTOMS ACT, 1962			
Customs Duty and penalty	March, 2012 to May 2012	Appellate Tribunal	45.08
CENTRAL EXCISE ACT, 1944 and Finance Act 1994			
Service Tax	Jan., 2012 to Nov., 2012	Appellate Tribunal	2.36
INCOME TAX, 1961			
Income Tax	2008-09	Appellate Commissioner	2.62
	2009-10	Appellate Commissioner	0.86

viii) The company has not defaulted in repayment of its loans or borrowings to banks. The Company does not have any borrowings by way of debentures.

ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments) and term loans during the year. Hence, provisions of Clause 3(ix) of the aforesaid order is not applicable to the Company.

x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.

xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.

xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Refer Note 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 LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai, 13th May 2021
UDIN : 21036490AAAAFN9521

"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")

Opinion

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of VINATI ORGANICS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 were operating effectively as at March 31, 2021, 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.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors is responsible for establishing and maintaining internal financial controls 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. 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 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 with reference to standalone financial statements. 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 with reference to Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to Standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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 Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Ind AS Financial Statements 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 Standalone Ind AS 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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.

For **M M NISSIM & CO LLP**
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai, 13th May 2021
UDIN : 21036490AAAAFN9521

Balance Sheet as at 31 March 2021

(₹ in Lacs)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	75,565.49	74,909.44
Capital Work-in-Progress	2 (b)	5,469.03	3,097.07
Other Intangible Assets	2 (c)	117.98	166.65
Financial Assets;			
- Investments	3	10,776.25	-
- Loans	4	13,287.89	-
- Other financial assets	5	126.06	311.81
Other non-current assets	6	2,518.71	1,555.95
Current Assets			
Inventories	7	12,193.96	9,317.07
Financial Assets;			
- Investments	3	18,091.18	22,739.47
- Trade Receivables	8	27,720.34	20,177.65
- Cash and cash Equivalents	9	167.47	909.32
- Bank balances other than cash and cash equivalents	10	517.07	4,460.75
- Loans	4	8.30	30.34
- Others financial assets	5	1,378.82	1,719.76
Current Tax Assets (Net)		651.56	817.80
Other current assets	6	4,763.60	4,084.26
TOTAL ASSETS		**1,73,353.71**	**1,44,297.34**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	1,027.82	1,027.82
Other Equity	SOCE	1,53,313.58	1,26,912.75
Total Equity		**1,54,341.40**	**1,27,940.57**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Other Financial Liabilities	11	121.80	24.72
Deferred Tax Liabilities (Net)	12	7,792.74	7,048.32
Other non-current liabilities	13	481.52	382.65
Current Liabilities			
Financial Liabilities			
- Borrowings	14	202.49	34.65
- Trade Payables			
(A) total oustanding dues of micro & small enterprises	15	299.62	215.61
(B) total outstanding dues otherthan micro & small enterprises	15	6,337.53	5,350.41
- Other Financial Liabilities	11	454.65	310.12
Other Current Liabilities	13	2,121.05	1,416.04
Provisions	16	469.92	443.65
Current Tax Liabilities (Net)		730.99	1,130.60
Total Liabilities		**19,012.31**	**16,356.77**
TOTAL EQUITY AND LIABILITIES		**1,73,353.71**	**1,44,297.34**
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/W100672

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 May, 2021

Statement of Profit and Loss for the year ended 31 March 2021

(₹ in Lacs)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March, 2020
INCOME			
Revenue from Operations	17	95,425.81	1,02,887.39
Other Income	18	2,585.55	4,498.92
TOTAL INCOME		**98,011.36**	**1,07,386.31**
EXPENSES			
Cost of materials consumed	19	41,585.56	43,149.68
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(2,819.64)	(279.41)
Employee Benefits expense	21	7,264.25	6,427.70
Finance Costs	22	21.19	109.22
Depreciation and Amortisation expense	23	4,291.45	3,316.05
Other Expenses	24	14,143.04	12,195.31
TOTAL EXPENSES		**64,485.85**	**64,918.55**
PROFIT BEFORE TAX		**33,525.51**	**42,467.76**
TAX EXPENSE			
Current Tax		7,574.33	9,559.51
Deferred Tax		744.42	(1,408.51)
Earlier year Adjustments (Refer Note 28(i)(e) and 28(k))		(1,726.89)	933.78
TOTAL TAX EXPENSE		**6,591.86**	**9,084.78**
PROFIT FOR THE YEAR		**26,933.65**	**33,382.98**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		(25.27)	(50.13)
Income Tax relating to items that will not be reclassified to Profit or Loss		6.36	12.62
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(18.91)**	**(37.51)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**26,914.74**	**33,345.47**
EARNINGS PER EQUITY SHARE	28 (a)		
Basic		26.20	32.48
Diluted		26.20	32.48
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/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 13th May, 2021

For and on behalf of Board of Directors

Millind Wagh
Company Secretary

Vinod Saraf
Chairman
DIN: 00076708

Nand Kishor Goyal
Chief Financial Officer

Vinati Saraf Mutreja
Managing Director & CEO
DIN: 00079184

Statement of Changes in Equity (SOCE)

for the year ended 31 March 2021

(₹ in Lacs)

Equity Share Capital	As at 31 March 2021 Number	As at 31 March 2020 Number	As at 31 March 2021 Amount	As at 31 March 2020 Amount
Authorised Share Capital	15,00,00,000	15,00,00,000	1,500.00	1,500.00
Issued Share Capital	10,27,82,050	10,27,82,050	1,027.82	1,027.82
Subscribed Share Capital	10,27,82,050	10,27,82,050	1,027.82	1,027.82
Fully Paid-up Share Capital	10,27,82,050	10,27,82,050	1,027.82	1,027.82
Balance at the beginning of the year	**10,27,82,050**	**10,27,82,050**	**1,027.82**	**1,027.82**
Changes in equity share capital during the year:	-	-	-	-
Balance at the end of the reporting year	**10,27,82,050**	**10,27,82,050**	**1,027.82**	**1,027.82**

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

The company has one class of equity shares having a par value of ₹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 percent shares	As at 31 Mar 2021		As at 31 March 2020	
	No.	%	No.	%
Vinod Saraf	1,39,00,582	13.52%	1,39,00,582	13.52%
Kavita Saraf	1,24,14,456	12.08%	1,24,14,456	12.08%
Suchir Chemicals Pvt. Ltd.	4,75,53,168	46.27%	4,75,40,253	46.25%

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

Statement of Changes in Equity (SOCE) (Contd..)

for the year ended 31 March 2021

(₹ in Lacs)

Other Equity	Reserves and Surplus					Other Comprehensive Income(OCI)	Total
	Securities Premium	General Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the Year 1st April 2019	**636.28**	**5,947.60**	**30.40**	**4.00**	**97,638.62**	**(156.84)**	**1,04,100.06**
Profit for the previous reporting period	-	-	-	-	33,382.48	-	33,382.48
Other Comprehensive Income for the Previous Reporting year ending 31st March 2020	-	-	-	-	-	(37.51)	(37.51)
Total	**636.28**	**5,947.60**	**30.40**	**4.00**	**1,31,021.10**	**(194.35)**	**1,37,445.03**
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;	-	-	-	-	(10,532.28)	-	(10,532.28)
Balance at the beginning of the Year 1st April 2020	**636.28**	**5,947.60**	**30.40**	**4.00**	**1,20,488.82**	**(194.35)**	**1,26,912.75**
Profit for the current reporting year	-	-	-	-	26,933.65	-	26,933.65
Other Comprehensive Income for the Current Reporting year ending 31 March 2021	-	-	-	-	-	(18.91)	(18.91)
Total	**636.28**	**5,947.60**	**30.40**	**4.00**	**1,47,422.47**	**(213.26)**	**1,53,827.49**
Transactions with owners in their capacity as owners:							
Dividends;	-	-	-	-	(513.91)	-	(513.91)
Balance at the end of the reporting year	**636.28**	**5,947.60**	**30.40**	**4.00**	**1,46,908.56**	**(213.26)**	**1,53,313.58**

Statement of Changes in Equity (SOCE) (Contd..)

for the year ended 31 March 2021

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 Lacs & ₹ 0.40 Lacs of share forfeiture.
iv. Capital Redemption Reserve	Capital Redemtion 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.

The Notes are an integral part of these financial statements

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/W100672

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 May, 2021

Cash Flow Statement for the year ended 31 March 2021

(₹ in Lacs)

Particulars	Year ended 31 March 2021 Audited		Year ended 31 March 2020 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		**33,525.51**		**42,467.26**
Adjustment for :				
Depreciation	4,291.45		3,316.05	
Unrealised foreign exchange loss/(gain)	(24.30)		(971.52)	
Finance Cost (including fair value change in financial instruments)	21.19		109.22	
Interest Income	(212.69)		(239.27)	
Dividend Income	-		(713.00)	
Net gains on fair value changes on financial assets classified as FVTPL	(630.71)		(302.39)	
Net gain on sale of Investments classified as FVTPL	(233.43)		(83.06)	
Remeasurements of Defined benefit plans	(25.27)		(50.13)	
Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment	(1.82)	3,184.42	(2.17)	1,063.73
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**36,709.93**		**43,530.99**
Trade receivables	(7,522.54)		5,191.60	
Other Non Current Financial assets	102.23		(13.17)	
Other Current Financial assets	205.53		-	
Other Non Current Assets	(49.59)		11.52	
Other Current Assets	(692.77)		2,669.52	
Inventories	(2,876.89)		(77.61)	
Trade Payable	1,074.29		254.38	
Provisions	26.27		120.09	
Other non-current liabilities	98.87		115.10	
Other Current Financial Liabilities	184.16		(521.76)	
Other current liabilities	705.99	(8,744.45)	362.24	8,111.91
CASH GENERATED FROM OPERATIONS		**27,965.48**		**51,642.90**
Direct Taxes paid		(6,074.43)		(10,050.14)
NET CASH FROM OPERATING ACTIVITIES		**21,891.04**		**41,592.76**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(4,933.39)		(31,008.97)	
Capital Work in Progress And Capital Advance	(3,285.13)		17,218.35	
Proceeds from sale of Property, Plant and Equipment	36.38		69.94	
Investment in Subsidiary	(1.00)		-	
Purchase of Investments	(13,012.20)		(4,860.18)	
Proceeds from sale of Investments	10,251.71		2,189.90	
Loans (Financial assets)	(13,265.85)		(25.23)	
Deposits/Balances with Banks	4,027.20		(4,067.06)	
Interest Income	361.53		24.61	
Dividend income	-		713.00	
NET CASH USED IN INVESTING ACTIVITIES		**(19,820.75)**		**(19,745.64)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / Proceeds from Working Capital Facilities (Net)	167.84		(333.61)	
Non Current Financial Liabilities - Security Deposits	97.08		(0.57)	
Interest paid	(21.19)		(109.22)	
Dividend and Corporate Dividend Tax	(553.54)		(10,462.06)	
NET CASH FROM FINANCING ACTIVITIES		**(309.81)**		**(10,905.46)**

Cash Flow Statement for the year ended 31 March 2021

(₹ in Lacs)

Particulars	Year ended 31 March 2021 Audited		Year ended 31 March 2020 Audited	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,760.48**		**10,941.66**
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020		**15,858.13**		**4,916.47**
- Cash and cash Equivalents		909.32		4.06
- Highly Liquid Investments		14,948.81		4,912.41
CASH AND CASH EQUIVALENTS AS AT 31 March 2021		**17,618.61**		**15,858.13**
- Cash and cash Equivalents		167.47		909.32
- Highly Liquid Investments		17,451.14		14,948.81

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

The Notes are an integral part of these financial statements
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/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 13th May, 2021

For and on behalf of Board of Directors

Millind Wagh
Company Secretary

Vinod Saraf
Chairman
DIN: 00076708

Nand Kishor Goyal
Chief Financial Officer

Vinati Saraf Mutreja
Managing Director & CEO
DIN: 00079184

Notes to the Financial Statements for the year ended 31 March 2021

Note 1 : Significant Accounting Policies

A General Information

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

B Basis of preparation of Financial Statements

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

i Statement of Compliance

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

ii Basis of preparation and presentation

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

a) Certain financial assets/liabilities measured at fair value (Refer note C-20) and

b) Any other item as specifically stated in accounting policy.

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

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

The financial statements of the Company for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the board of directors on 13th May, 2021.

iii Major Sources of Estimation Uncertainty

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

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

Property, Plant and Equipment:

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

Impairment of Non-financial Assets:

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

Notes to the Financial Statements for the year ended 31 March 2021

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.

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 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
Tangible:	
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.

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

Notes to the Financial Statements for the year ended 31 March 2021

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 Lease

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 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.

Notes to the Financial Statements for the year ended 31 March 2021

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 inpaired 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 impairement 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 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.

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

Notes to the Financial Statements for the year ended 31 March 2021

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 book overdrafts. However, Book 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.

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.

Notes to the Financial Statements for the year ended 31 March 2021

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:

i) Defined benefit plans such as gratuity and

ii) Defined Contribution plans such as provident fund & national pension scheme

Defined benefits plans

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

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

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

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

Defined Contribution Plans

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

Notes to the Financial Statements for the year ended 31 March 2021

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.

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.

Notes to the Financial Statements for the year ended 31 March 2021

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.

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, 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 intially 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

Notes to the Financial Statements for the year ended 31 March 2021

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials 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 financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through OCI ('FVTOCI')

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and
- Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk

Notes to the Financial Statements for the year ended 31 March 2021

since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

b) **Financial Liabilities**

The Company's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities classified as Fair value through profit and loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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).

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standard for amendments to the existing standards. There is no such notifications which would have been applicable from 1st April 2021.

Notes to the Financial Statements for the year ended 31 March 2021

Note 2 (a) Property, Plant and Equipment

(₹ in Lacs)

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Air Conditioners	Total
Gross Block									
At cost as at 31 March 2019	**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	25,949.08	74.41	7.29	3.49	9.61	8.68	31,008.62
Disposals /adjustments	-	-	(68.21)	-	(16.83)	-	-	-	(85.04)
At cost as at 31 March 2020	**26.18**	**23,159.60**	**61,037.23**	**479.91**	**230.07**	**36.11**	**56.52**	**53.05**	**85,078.67**
Additions	87.53	948.41	3,831.21	21.25	26.60	3.19	4.66	3.27	4,926.12
Disposals /adjustments	-	-	(42.22)	-	(10.98)	-	-	-	(53.20)
At cost as at 31 March 2021	**113.71**	**24,108.01**	**64,826.22**	**501.16**	**245.69**	**39.30**	**61.18**	**56.32**	**89,951.59**
Depreciation Block									
Accumulated depreciation / amortisation as at 31 March 2019		**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)
Accumulated depreciation / amortisation as at 31 March 2020	**-**	**1,967.11**	**7,783.97**	**203.01**	**121.68**	**25.64**	**35.73**	**32.09**	**10,169.23**
Depreciation / Amortisation for the year	-	698.10	3,442.91	53.27	25.06	2.95	7.39	5.83	4,235.51
Disposals /adjustments	-	-	(11.08)	-	(7.56)	-	-	-	(18.64)
Accumulated depreciation / Amortisation as at the 31 March 2021	**-**	**2,665.21**	**11,215.80**	**256.28**	**139.18**	**28.59**	**43.12**	**37.92**	**14,386.10**
Net Block									
As at 31 March 2020	**26.18**	**21,192.49**	**53,253.26**	**276.90**	**108.39**	**10.47**	**20.79**	**20.96**	**74,909.44**
As at 31 March 2021	**113.71**	**21,442.80**	**53,610.42**	**244.88**	**106.51**	**10.71**	**18.06**	**18.40**	**75,565.49**

Notes to the Financial Statements for the year ended 31 March 2021

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

(₹ in Lacs)

Particulars	Total
As at 31 March 2020	**3,097.07**
As at 31 March 2021	**5,469.03**

Note 2 (c) Intangibles

(₹ in Lacs)

Particulars	Computer Software	Technical Know How	Total
Gross Block			
At cost as at 31 March 2019	**116.06**	**453.50**	**569.56**
Additions	0.37	-	0.37
Disposals /adjustments	-	-	-
At cost as at 31 March 2020	**116.43**	**453.50**	**569.93**
Additions	7.27	-	7.27
Disposals /adjustments	-	-	-
At cost as at 31 March 2021	**123.70**	**453.50**	**577.20**
Depreciation Block			
Accumulated depreciation / amortisation as at 31 March 2019	**83.35**	**226.39**	**309.74**
Depreciation / Amortisation for the year	14.79	78.75	93.54
Disposals /adjustments			
Accumulated depreciation / amortisation as at 31 March 2020	**98.14**	**305.14**	**403.28**
Depreciation / Amortisation for the year	7.77	48.17	55.94
Disposals /adjustments	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2021	**105.91**	**353.31**	**459.22**
Net Block			
As at 31 March 2020	**18.29**	**148.36**	**166.65**
As at 31 March 2021	**17.79**	**100.19**	**117.98**

Notes:

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 Lacs)

Particulars	31-Mar-21	31-Mar-20
Legal and Professional Charges	16.25	12.35
Travelling Expenses	-	0.37
Rates & Taxes	22.39	4.82
Insurance Charges	10.69	8.79
	49.33	**26.33**

Notes to the Financial Statements for the year ended 31 March 2021

Note 3 Investments

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Fully paid up - Unquoted - Trade				
Subsidiary Company: (At Cost)				
10,000 Shares of Veeral Organics Limited of ₹ 10 each fully paid up	1.00	-	-	-
Fully paid up - Quoted - Non Trade				
Equity Shares (at fair value through Profit or Loss)				
3,56,000 Units of Brookfield India Real Estate Investment Trust Limited of Face Value of ₹ 275 each fully paid up	794.59	-	-	-
Fully paid up - Unquoted - Non Trade				
i) In Mutual Fund Units: (at fair value through Profit or Loss)				
Income Plan: Growth Option	-	-	17,451.13	14,948.81
ii) In ETF (at fair value through Profit or Loss)	3,342.30	-	-	3,003.00
iii) In Non Convertible Debentures: (at fair value through Profit or Loss)	6,638.36	-	640.05	4,787.66
Total	**10,776.25**	**-**	**18,091.18**	**22,739.47**

Note 4 Loans (Unsecured, considered good)

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Carried at Amortised cost :				
Loans to related parties	13,287.89	-	-	-
Loans and Advances to employees	-	-	8.30	30.34
Total	**13,287.89**	**-**	**8.30**	**30.34**

Note 5 Other Financial Assets

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Carried at Amortised cost :				
Bank deposits with more than 12 months maturity	12.89	96.41	-	-
Others;				
Security Deposits	113.17	215.40	-	-
Interest Accrued on Loans and Deposits	-	-	89.81	225.22
Export Benefits receivables	-	-	1,002.97	1,013.24
Others	-	-	286.04	481.30
Total	**126.06**	**311.81**	**1,378.82**	**1,719.76**

Notes to the Financial Statements for the year ended 31 March 2021

Note 6 Other Assets

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital Advances	1,429.78	516.61	-	-
Advances other than capital advances;	-	-	-	-
Security Deposits	6.99	6.99	534.20	523.80
Advances to suppliers	-	-	1,458.09	1,002.70
Interest Accrued on Deposits	-	-	-	13.43
Sub Total	**1,436.77**	**523.60**	**1,992.29**	**1,539.93**
Others				
Balance with Statutory authorities	-	-	2,264.35	2,033.49
Advances recoverable in cash or kind	-	-	386.60	422.15
Prepaid Expenses	1,081.94	1,032.35	120.36	88.69
Sub Total	**1,081.94**	**1,032.35**	**2,771.31**	**2,544.33**
Total	**2,518.71**	**1,555.95**	**4,763.60**	**4,084.26**

Note 7 Inventories

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw Materials	2,098.01	1,509.09
Raw Materials in transit	1,146.36	1,251.33
Work-in-progress	1,954.00	1,063.68
Finished goods	3,466.55	1,537.21
Stores and spares	3,529.04	3,955.76
Total	**12,193.96**	**9,317.07**

Note 8 Trade Receivables

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	27,720.34	20,177.65
Total	**27,720.34**	**20,177.65**

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.

Notes to the Financial Statements for the year ended 31 March 2021

Note 9 Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks (of the nature of cash and cash equivalents)	166.12	908.04
Cash on hand	1.35	1.28
Total	167.47	909.32

Note 10 Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than 3 months but less then 12 months	293.13	4,197.18
Others:		
Unclaimed Dividend Account	223.94	263.57
Total	517.07	4,460.75

Note 11 Other Financial Liabilities

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Carried at Amortised Cost :				
Unclaimed dividends	-	-	223.94	263.57
Others :				
Security Deposit	121.80	24.72	-	-
Employee benefits	-	-	-	25.76
Liabilities for expenses	-	-	230.71	20.79
Total	121.80	24.72	454.65	310.12

Note 12 Deferred Tax Liabilities - (Net)

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Liabilities (Net);		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	7,705.95	7,050.75
- Unrealised gain/(loss) on FVTPL debt Mutual Funds And equity instruments	195.68	83.94
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	(108.89)	(75.34)
- Unabsorbed Capital Losses	-	(11.03)
Total	7,792.74	7,048.32

Notes to the Financial Statements for the year ended 31 March 2021

Note 13 Other Liabilities

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Contract Liabilities	-	-	52.04	93.14
Others;				
Retention Money	481.52	382.65	-	-
Statutory Dues	-	-	416.81	210.30
Liabilities for expenses	-	-	1,648.89	797.92
Others	-	-	3.31	314.68
Total	**481.52**	**382.65**	**2,121.05**	**1,416.04**

During the year ended 31 March 2021, the Company recognised revenue of ₹ 93.14 Lacs (Previous year ₹ 77.35 Lacs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
As at beginning of the year	93.14	77.94
Recognised as revenue from contracts with customers	(6,727.24)	(9,542.67)
Advance from customers received during the year	6,686.14	9,557.87
Balance at the close of the year	**52.04**	**93.14**

Note 14 Borrowings

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
CURRENT		
Secured		
Loans repayable on demand		
- from banks	202.49	34.65
Total	**202.49**	**34.65**

Nature of Borrowings Working Capital Advances from Banks	Interest Rate
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 buidling at Mahad and second charge on all property,plant And equipment situated at Lote Works and personal guarantee of Chairman, Mr. Vinod Saraf.	Rupee Loan carries interest ranging from 7.10% to 8.20% (Previous Year 8.20% 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 31 March 2021

Note 15 Trade Payables

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Outstanding due of Micro and Small Enterprises (Refer Note 28(d))	299.62	215.61
Outstanding due of Creditors other than Micro and Small Enterprises	6,337.53	5,350.41
Total	**6,637.15**	**5,566.02**

Note 16 Provisions

(₹ in Lacs)

Particulars	Current	
	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Refer Note 28(g))	469.92	443.65
Total	**469.92**	**443.65**

Note 17 Revenue from Operations

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale Of Products	94,218.06	1,01,052.21
Other Operating Revenues:		
Export Incentives	1,132.51	1,786.58
Scrap Sales	75.24	48.60
Revenue from operations	**95,425.81**	**1,02,887.39**

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 seperate disclosures of disaggregated revenues are reported. (Refer Note 28(c))

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

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gross Sales (Contracted Price)	99,188.10	1,05,247.53
Reductions towards variable consideration (Turnover discount, Other Expenses)	(4,970.04)	(4,195.32)
Revenue recognised	**94,218.06**	**1,01,052.21**

Notes to the Financial Statements for the year ended 31 March 2021

Note 18 Other Income

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income	212.69	239.27
Dividend Income from Current Investment	-	713.00
Net gain on sale of Investments classified as FVTPL	775.72	190.80
Net gains on fair value changes on financial assets classified as FVTPL	1,084.52	442.30
Gain on Foreign Exchange Translations	408.80	2,049.26
Other Non-Operating Income;		
Miscellaneous Income	103.82	864.29
Total	**2,585.55**	**4,498.92**

Note 19 Cost of Materials consumed

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening Stock of Raw Materials	2,760.42	2,760.42
Purchases during the year	42,069.51	43,149.68
Closing Stock of Raw Materials	(3,244.37)	(2,760.42)
Total	**41,585.56**	**43,149.68**

Note 20 Changes in inventories of finished goods and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Closing Stock:		
Finished Goods	3,466.55	1,537.21
Work-in-Progress	1,953.99	1,063.69
	5,420.54	**2,600.90**
Less: Opening Stock:		
Finished Goods	1,537.21	1,559.99
Work-in-Progress	1,063.69	761.50
	2,600.90	**2,321.49**
Total	**(2,819.64)**	**(279.41)**

Note 21 Employee Benefits Expense

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and Wages	6,501.01	5,736.01
Contribution to provident, gratuity and other funds	586.10	514.27
Staff welfare expenses	177.14	177.42
Total	**7,264.25**	**6,427.70**

Notes to the Financial Statements for the year ended 31 March 2021

Note 22 Finance Costs

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Working Capital Facilities	8.89	96.92
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	12.30	12.30
	21.19	**109.22**

Note 23 Depreciation and Amortisation expense

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property, Plant And Equipment	4,235.51	3,222.51
Amortisation on Intangible Assets	55.94	93.54
	4,291.45	**3,316.05**

Note 24 Other Expenses

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Stores and Spares Consumed	3,063.83	3,078.12
Power and Fuel	6,105.42	5,014.90
Processing Expenses	1,536.45	1,379.61
Rent	16.16	13.70
Rates and Taxes	92.44	92.95
Insurance	443.04	264.60
Printing and Stationery	21.59	25.18
Water Charges	232.12	243.72
Repairs and Renewals:		
Buildings	102.00	131.31
Plant and Machinery	496.00	365.34
Other Assets	68.18	87.22
Travelling and Conveyance	229.24	211.12
Communication Expenses	26.84	27.16
Corporate Social Responsibility Expenses	702.22	366.96
Vehicle Expenses	55.98	57.30
Auditors' Remuneration:		
As Auditors:		
Audit fee	7.50	6.50
Other Services	2.00	2.00
	9.50	**8.50**
Cost Auditors Remuneration:		
Audit fee	0.60	0.60
Directors' Fees	13.50	11.25
Directors' Travelling Expenses	0.07	19.44
Security Expenses	163.82	130.90
Commission	244.06	200.34
Bank Charges	73.63	94.38
Miscellaneous Expenses	446.35	370.71
Total	**14,143.04**	**12,195.31**

Notes to the Financial Statements for the year ended 31 March 2021

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 31 March 2021, 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/equity shares & debt instruments 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 31 March 2021 would have been decreased/increased by ₹ 2.02 Lacs. (PY 2019-20 : ₹ 0.35 Lacs)

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not its functional currency. The exposure to foreign currency risk of the Company at the end of the reporting period expressed is as follows:

Unhedged Short Term Exposures :		**Amount (In Million)**		**(Rupees in Lacs)**	
		31st March 2021	**31st March 2020**	**31st March 2021**	**31st March 2020**
Financial Assets	USD	24.11	13.50	17,633.11	10,166.94
	EURO	0.74	1.19	636.21	983.09
Financial Liabilites	USD	2.56	1.82	1,873.79	1,376.61
	EURO	0.00	0.03	3.74	27.79
Net exposure	USD	21.55	11.68	15,759.32	8,790.33
	EURO	0.74	1.15	632.47	955.30

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 ₹ 157.59 Lacs (Previous Year - 87.90 Lacs)

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 31 March 2021

Derivatives - Forward Contracts

The Company enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of firm commitments. The derivative that is either not designated as hedge or is so designated but is ineffective is categorised as a financial asset or liability at fair vale through Profit or Loss.

The outstanding position and exposures are as under :

Particulars	Currency	Amount (In Million)	Rupees Lacs	Nature	Cross Currency
Forward Contract (2020-21)	USD	-	-	Export Sales	INR
Forward Contract (2019-20)	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 is exposed to price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. 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 31at March 2021 the investments in mutual funds/Debt Instruments/ETF/Equity Shares amounts to ₹ 28,866.43 Lacs (PY 2019-20 : ₹ 22,739.47 Lacs). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to aprroximatly an additional ₹ 288.66 Lacs (PY 2019-20 : ₹ 227.39 Lacs) on either side in the statement of profit and loss.

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Debt Funds and Balances with Banks.

Trade receivables

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 2021 is 0.18% of the total trade receivables. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, mutual funds equity shares and loans to subsidiary companies. It has a diversified portfolio of investments with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its treasury department.

Notes to the Financial Statements for the year ended 31 March 2021

iii) Liquidity Risk

The principal sources of liquidity of the Company are cash and cash equivalents, investment in mutual funds, fund and non-fund based working capital lines from various banks and the cash flow that is generated from operations. It believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Standalone Balance Sheet date.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments-

(₹ in Lacs)

Particulars	Refer Note	Less than 1 year	More than 1 Year
Borrowings	14	202.49	-
		(34.65)	-
Trade Payable	15	6,637.15	-
		(5,566.02)	-
Other Non Current Financial Liabilities	11	-	121.80
		-	(24.72)
Employee Benefit/ Expense liabilities	11	230.71	-
		(46.55)	-
Unclaimed dividends	11	223.94	-
		(263.57)	-

Figures in brackets are in respect of Previous year

Note 26 Fair Values and Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

(₹ in Lacs)

Particulars	Hierarchy	Fair Value/Carrying Value	
		As at 31 March 2021	As at 31 March 2020
Financial Assets			
- Investments	Level One	28,867.43	22,739.47

Level 1: This includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.

Notes to the Financial Statements for the year ended 31 March 2021

Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

Particulars	Carrying Value/Fair Value	
	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Loans	13,287.89	-
Security Deposits	113.17	215.40
Bank deposits	12.89	96.41
Other Assets	1,378.82	1,719.76
Total Financial Assets	**14,792.77**	**2,031.57**
Financial Liabilities		
Security Deposits	121.80	24.72
Other liabilities	454.65	310.12
Total Financial Liabitlites	**576.45**	**334.84**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

Note 27 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Accounting Profit before Income Tax	33,525.51	42,467.76
At statutory income tax rate of 25.168% (31 March 2020: 25.168%)	8,437.70	10,688.16
Additional deduction	(646.70)	(873.03)
Income taxable at different rates	58.38	17.11
Effect of exempt/non taxable income	(463.72)	(348.01)
Effect of non-deductible expenses	189.13	110.06
Others	(0.46)	(34.78)
Total	**7,574.33**	**9,559.51**

Note 28 Additional/Explanatory Information

a) Earnings Per Share

(₹ in Lacs)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Profit after taxation	₹ Lacs	26,933.65	33,382.98
Weighted Average Number of equity shares (Face Value ₹1/-)	Nos.	10,27,82,050	10,27,82,050
Earnings per share	₹	26.20	32.48

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 Lacs/- (previous year ₹ 2.18 Lacs/-).

Notes to the Financial Statements for the year ended 31 March 2021

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 Lacs)

Particulars	2020-21	2019-20
Speciality Chemicals	92,060.03	99,616.88
Others	2,158.03	1,435.33
	94,218.06	**1,01,052.21**

(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 Lacs)

Particulars	2020-21	2019-20
Revenue from External Customers:		
India	29,760.91	26,354.29
Outside India	64,457.15	74,697.92
	94,218.06	**1,01,052.21**
Non-current assets (other than financial instruments)		
India	83,671.21	79,729.11
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 Lacs)

Particular	As at 31 March 2021	As at 31 March 2020
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	299.62	215.61

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 31 March 2021

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.

(₹ in Lacs)

Particulars	2020-21	2019-20
Gross amount required to be spent by the Company	702.22	555.50
Amount deposited in separate CSR unspent account	417.65	-
Amount spent by the Company during the year on purpose other than construction/ acquisition of assets	284.57	366.96

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

(a) Names of other related parties and nature of relationship:

Wholly owned Subsidiary	i) Veeral Organics Private Limited (w.e.f. 5th October, 2020)
Key Management Personnel:	i) Mr. Vinod Saraf - Chairman ii) Mrs. Vinati Saraf Mutreja - Managing Director and CEO iii) Mr. Jayesh Ashar - Director - Operations – w. e. f. 02nd February 2021. iv) Mrs. Viral Saraf Mittal - Director CSR v) N. K. Goyal - Chief Financial Officer (CFO) vi) Milind Wagh - Company Secretary
Relatives of Key Management Personnel:	i) Mr. Sunil Saraf - Brother of Mr. Vinod Saraf ii) 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 -

(₹ in Lacs)

Particulars	Year ended 31-Mar-21	Closing balance as on 31-Mar 21	Year ended 31-Mar-20	Closing balance as on 31-Mar 20
i) Wholly Owned Subsidiary				
Subscription to Equity Share Capital	1.00	1.00	-	-
Loan given	101.49	101.49	-	-
Interest received	1.12	1.12	-	-
i) Key Management Personnel:				
Managerial Remuneration *				
Directors	381.37	-	332.12	-
CFO	79.49	-	72.90	-
Company Secretary	30.46	-	27.89	-
Dividend paid during the year				
Vinod Saraf	64.29	-	1,181.55	-
Vinati Saraf Mutreja	5.60	-	102.90	-
Viral Saraf Mittal	4.82	-	88.60	-

Notes to the Financial Statements for the year ended 31 March 2021

(₹ in Lacs)

Particulars	Year ended 31-Mar-21	Closing balance as on 31-Mar 21	Year ended 31-Mar-20	Closing balance as on 31-Mar 20
ii) Relatives of Key Management Personnel:				
Sitting Fees				
Mr. Sunil Saraf	1.50	-	1.50	-
Dividend paid during the year				
Kavita Saraf	57.42	-	1,055.23	-
iii) Enterprise owned or significantly influenced by any management personnel or their relatives				
Sales - Viral Alkalis Ltd	4.57	0.08	17.27	-
Purchase - Viral Alkalis Ltd	677.88	111.44	408.83	34.27
Sale of Machinery - Viral Alkalis Ltd	-	-	20.66	-
Rent of Immovable property-Viral Alkalis Ltd	5.80	-	6.30	-
Sales - Veeral Additives Pvt. Ltd.	1,088.15	157.28	33.32	30.89
Purchase - Veeral Additives Pvt. Ltd.	98.61	-	14.85	-
Rent of Immovable property- Veeral Additives Pvt. Ltd.	4.80	-	4.80	1.60
Dividend Payment - Suchir Chemicals Private Ltd	219.93	-	4,037.53	-
Interest Income - Veeral Additives Pvt. Ltd.	75.87	75.87	-	-
Loan given to - Veeral Additives Pvt. Ltd. (Refer note 28(m))	13,186.40	13,186.40	-	-
iv) Other Related Parties				
Contributions paid	164.58	-	91.30	-
Contributions payable	-	155.39	-	164.58
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) The Chairman 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 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: ₹ 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 31 March 2021

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:

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
i) Employer's contribution to Provident Fund and Family Pension Fund*	398.45	355.09

*Included in "Contribution to Provident and other Funds" (Note 21).

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
ii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	194.85	163.71

iii) The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:

i) Changes in the Present Value of Obligation

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Present Value of Obligation as at the beginning	**1,219.65**	**1,009.49**
Current Service Cost	124.89	111.52
Interest Expense or Cost	76.01	63.84
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	6.46	(55.19)
- experience variance (i.e. Actual experience vs assumptions)	27.35	120.15
- change in demopgraphic Assumptions		
Benefits Paid	(48.96)	(30.16)
Present Value of Obligation as at the end	**1,405.40**	**1,219.65**

ii) Changes in the Fair Value of Plan Assets

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair Value of Plan Assets as at the beginning	**1,055.06**	**918.19**
Investment Income	70.78	60.91
Adjustment to opening Fair Value of Plant Asset		
Return on Plan Assets excluding interest income	8.54	14.82
Employer's Contribution	164.58	91.30
Benefits Paid	(48.96)	(30.16)
Fair Value of Plan Assets as at the end	**1,250.00**	**1,055.06**

iii) Expenses Recognised in the Income Statement

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current Service Cost	124.89	111.52
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	5.23	2.93
Expenses Recognised in the Income Statement	**130.12**	**114.45**

Notes to the Financial Statements for the year ended 31 March 2021

iv) Other Comprehensive Income

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gains) / losses		
- change in financial assumptions	6.46	(55.19)
- experience variance (i.e. Actual experience vs assumptions)	27.35	120.15
- change in demopgraphic Assumptions	-	-
Return on Plan Assets excluding interest income	(8.54)	(14.82)
Components of defined benefit costs recognised in other comprehensive income	**25.27**	**50.14**

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 2021	Year ended 31 March 2020
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 2021	Year ended 31 March 2020
Discount rate (per annum)	6.36%	6.42%
Salary growth rate (per annum)	6.00%	6.00%

b. Demographic Assumptions

Particulars	As on	
	Year ended 31 March 2021	Year ended 31 March 2020
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 42 years	5.00%	5.00%

Notes to the Financial Statements for the year ended 31 March 2021

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:

(₹ in Lacs)

Particular	As on 31 March 2021	As on 31 March 2020
Defined Benefit Obligation (Base)	1,405.40	1,219.65

(₹ in Lacs)

Particulars	As on 31 March 2021		As on 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	107.92	(95.51)	94.29	(83.30)
(% change compared to base due to sensitivity)	-92.32%	-106.80%	-92.27%	-106.83%
Salary Growth Rate (- / + 1%)	(84.03)	91.87	(73.87)	80.84
(% change compared to base due to sensitivity)	-105.98%	-93.46%	-106.06%	-93.37%
Attrition Rate (- / + 50%)	0.24	(0.17)	(0.54)	0.55
(% change compared to base due to sensitivity)	-99.98%	-100.01%	-100.04%	-99.95%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- Funding arrangements and Funding Policy

The scheme is managed on funded basis.

- Expected Contribution during the next annual reporting period	**(Rupees in Lacs)**
The Company's best estimate of Contribution during the next year	151.97
- Maturity Profile of Defined Benefit Obligation	
Weighted average duration (based on discounted cash flows)	9.83 Years
- Expected cash flows over the next (valued on undiscounted basis):	**(Rupees in Lacs)**
1 year	131.71
2 to 5 years	438.59
6 to 10 years	685.03
Above 10 Years	1168.21

Notes to the Financial Statements for the year ended 31 March 2021

viii) Movement of Liability : Employee Benefit

Particulars	(Rupees in Lacs)
Opening balance	443.65
Add : Provision for the year	469.92
Less : Paid during the year	-443.65
Closing Balance	469.92

h) Commitment

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for ₹ 8440.95 Lacs (Previous Year ₹ 4345.58 Lacs).

i) Contingent Liabilities not provided for:

(i) Bank Guarantees - ₹ 860.34 Lacs (Previous Year - ₹ 865.34 Lacs).

(ii) Letters of Credit issued by the Banks - ₹ 4458.70 Lacs (Previous Year - ₹ 2444.21 Lacs).

(iii) Claims not acknowledged as debts:

(a) Disputed Excise/Customs Duty/Service tax demands pending before the Appellate Authorities/High Court ₹ 49.32 Lacs (Previous Year ₹ 49.32 Lacs) against which payment of ₹ 1.88 lacs (Previous Year ₹ 1.88 lacs) has been made.

(b) Disputed Income Tax Demands - ₹ 3.48 Lacs ((Previous Year ₹ 3.48 Lacs).

(c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of ₹23.25 Lacs (Previous Year ₹ 23.25 Lacs). The Company had filed the Appeal to The Additional Commissioner,Kokan Division against demand of ₹ 2.02 Lacs and appeal for Balance amount of ₹ 21.23 Lacs to Minister of Revenue. Companyis hopeful for the demand likely to be waived off against which payment of ₹ 6.99 Lacs (Previous Year - ₹ 6.99 Lacs) has been made.

(d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 ₹14.39 Lacs (Previous Year ₹14.39 Lacs). The Company requested MIDC to waive the DPC and hopeful to be waived off.

(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 ₹ Nil (P.Y. ₹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) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2013.

(₹ in Lacs)

Particualrs	Purpose	Amount outstanding		Maximum outstanding during the year	
		2020-21	2019-20	2020-21	2019-20
Wholly Owned Subsidiary Company					
Veeral Organics Private Limited	Setting up manufacturing facility	101.49	-	101.49	-
Other Parties					
Veeral Additives Private Limited	Capital Expenditure	13,186.40	-	13,186.40	-

Notes:

i) Loans given to employees as per the policy of the Company are not considered.

ii) The loanees did not hold any shares in the share capital of the Company.

Notes to the Financial Statements for the year ended 31 March 2021

k) Income tax adjustments for earlier years represent accrued tax benefits based on judicial pronouncement amounting to ₹1726.89 Lacs for year ended on March 2021.

l) The Company has subscribed to the Memorandum and Articles of Association of Veeral Organics Private Limited, a subsidiary company on 5th October, 2020.

m) i) The Board of Directors of the Company have approved a scheme of amalgamation of Veeral Additives Private Limited into Vinati Organics Limited in their meeting held on Februrary 2, 2021. The scheme provides April 1, 2021 as appointed date.

ii) This is to facilitate forward integration to the existing product lines of the company. To expedite the completion of the project in time, and to avoid delays in the execution due to ongoing pandemic, the company has advanced loans of ₹ 13186.40 Lacs to the proposed amalgamating company with a reference made in the scheme that Veeral Additives Private Limited will conduct all activites as trustees for the Company. Approval of the shareholders is sought in the ensuing general meeting.

n) Events Occuring after the Balance Sheet date

The proposed final dividend for FY 2020-21 amounting to ₹ 6,166.92 Lacs (PY 2019-20 : ₹ 513.91) will be recognised as distribution to owners during the financial year 2021-22 on its approval by Shareholders. The proposed final dividend per share amounts to ₹ 6/- (PY 2019-20 : ₹ 0.50)

o) 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/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 13th May, 2021

For and on behalf of Board of Directors

Millind Wagh
Company Secretary

Vinod Saraf
Chairman
DIN: 00076708

Nand Kishor Goyal
Chief Financial Officer

Vinati Saraf Mutreja
Managing Director & CEO
DIN: 00079184

Independent Auditor's Report

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of VINATI ORGANICS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2021 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Consolidated Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on other financial information of the subsidiaries, the aforesaid consolidated 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 accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2021, and their consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis of Opinion

3. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated Ind AS 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 Consolidated Ind AS financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS 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	**Defined benefit obligation** The valuation of the retirement benefit schemes in the Holding 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.	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. 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.

Sr. No.	Key Audit Matter	Our Response
2	**Evaluation of uncertain tax positions** The Holding Company has uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** We performed the following substantive procedures: Obtained details of completed tax assessments and demands upto March 31, 2021 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, 2021 to evaluate whether any change was required to management's position on these uncertainties. **Conclusion** We agree with management's evaluation.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report thereon

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

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

7. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards, specified under Section 133 of the Act, read together with Rules thereon. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated Ind AS financial statements, the respective Board of Directors/management of the companies are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors/management of the companies are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements.

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

Report on Other Legal and Regulatory Requirements

13. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Ind AS Financial Statements.

    b) In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements, have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Ind AS financial statements.

    d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read together with Rules thereon.

    e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2021 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 with reference to these consolidated Ind AS financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

    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 Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

       i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 28(i) to the consolidated Ind AS financial statements.

       ii) The Group did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses during the year ended 31st March, 2021.

       iii) There has been no delay in transferring amount required to be transferred, to the Investor Education Protection Fund by the Holding Company during the year ended 31st March, 2021.

For **M. M. NISSIM & CO**
Chartered Accountants
(Firm Regn.No.107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Place: Mumbai
Date: 13th May, 2021
UDIN:- 21036490AAAAFO4503

Appendix A- Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

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

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the consolidated financial statements of VINATI ORGANICS LIMITED ("the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.
2. In our opinion, the Holding Company and its subsidiary company which is a company incorporated in India have, in all material respects, an adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal controls with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

3. The respective Company's management and Board of Directors are responsible for establishing and maintaining internal

financial controls with reference to consolidated financial statements based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note. 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 respective 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 Companies Act, 2013.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

7. A company's internal financial control with reference to consolidated 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 with reference to consolidated financial statements 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 authorisation 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

For **M. M. NISSIM & CO**
Chartered Accountants
(Firm Regn.No.107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Place: Mumbai
Date: 13th May, 2021
UDIN:- 21036490AAAAFO4503

Consolidated Balance Sheet as at 31st March 2021

(₹ in Lacs)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	75,565.49	74,909.44
Capital Work-in-Progress	2 (b)	5,580.19	3,097.07
Other Intangible Assets	2 (c)	117.98	166.65
Financial Assets;			
- Investments	3	10,775.25	-
- Loans	4	13,186.40	-
- Other financial assets	5	126.06	311.81
Other non-current assets	6	2,518.71	1,555.95
Current Assets			
Inventories	7	12,193.96	9,317.07
Financial Assets;			
- Investments	3	18,091.18	22,739.47
- Trade Receivables	8	27,720.34	20,177.65
- Cash and cash Equivalents	9	168.32	909.32
- Bank balances other than cash and cash equivalents	10	517.07	4,460.75
- Loans	4	8.30	30.34
- Others financial assets	5	1,377.79	1,719.76
Current Tax Assets (Net)		651.56	817.80
Other current assets	6	4,783.41	4,084.26
TOTAL ASSETS		**1,73,382.01**	**1,44,297.34**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	1,027.82	1,027.82
Other Equity	SOCE	1,53,313.14	1,26,912.75
Total Equity		**1,54,340.96**	**1,27,940.57**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Other Financial Liabilities	11	121.80	24.72
Deferred Tax Liabilities (Net)	12	7,792.74	7,048.32
Other non-current liabilities	13	481.52	382.65
Current Liabilities			
Financial Liabilities			
- Borrowings	14	202.49	34.65
- Trade Payables			
(A) total oustanding dues of micro & small enterprises	15	299.62	215.61
(B) total outstanding dues otherthan micro & small enterprises	15	6,363.49	5,350.41
- Other Financial Liabilities	11	454.65	310.12
Other Current Liabilities	13	2123.83	1,416.04
Provisions	16	469.92	443.65
Current Tax Liabilities (Net)		730.99	1,130.60
Total Liabilities		**19,041.05**	**16,356.77**
TOTAL EQUITY AND LIABILITIES		**1,73,382.01**	**1,44,297.34**
Significant Accounting Policies	1		
The Notes are an integral part of these financial statements			

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

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 May, 2021

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Lacs)

Particulars	Note	Year ended 31st March 2021	Year ended 31st March 2020
INCOME			
Revenue from Operations	17	95,425.81	1,02,887.39
Other Income	18	2,584.43	4,498.92
TOTAL INCOME		**98,010.24**	**1,07,386.31**
EXPENSES			
Cost of materials consumed	19	41,585.56	43,149.68
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(2,819.64)	(279.41)
Employee Benefits expense	21	7,264.25	6,427.70
Finance Costs	22	21.19	109.22
Depreciation and Amortisation expense	23	4,291.45	3,316.05
Other Expenses	24	14,143.48	12,195.81
TOTAL EXPENSES		**64,486.29**	**64,919.05**
PROFIT BEFORE TAX		**33,523.95**	**42,467.26**
TAX EXPENSE (Refer Note 28(i)(e) and 28(k))			
Current Tax		7,574.33	9,559.51
Deferred Tax		744.42	(1,408.51)
Earlier year Adjustments		(1,726.89)	933.78
TOTAL TAX EXPENSE		**6,591.86**	**9,084.78**
PROFIT FOR THE YEAR		**26,932.09**	**33,382.48**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		(25.27)	(50.13)
Income Tax relating to items that will not be reclassified to Profit or Loss		6.36	12.62
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(18.91)**	**(37.51)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**26,913.18**	**33,344.97**
EARNINGS PER EQUITY SHARE	29 (a)		
Basic		26.20	32.48
Diluted		26.20	32.48
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

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 13th May, 2021

For and on behalf of Board of Directors

Millind Wagh
Company Secretary

Vinod Saraf
Chairman
DIN: 00076708

Nand Kishor Goyal
Chief Financial Officer

Vinati Saraf Mutreja
Managing Director & CEO
DIN: 00079184

Consolidated Statement of Changes in Equity

for the year ended 31st March 2021

(₹ in Lacs)

Equity Share Capital	As at 31 March 2021 Number	As at 31 March 2020 Number	As at 31 March 2021 Amount	As at 31 March 2020 Amount
Authorised Share Capital	15,00,00,000	15,00,00,000	1,500.00	1,500.00
Issued Share Capital	10,27,82,050	10,27,82,050	1,027.82	1,027.82
Subscribed Share Capital	10,27,82,050	10,27,82,050	1,027.82	1,027.82
Fully Paid-up Share Capital	10,27,82,050	10,27,82,050	1,027.82	1,027.82
Balance at the beginning of the year	**10,27,82,050**	**10,27,82,050**	**1,027.82**	**1,027.82**
Changes in equity share capital during the year:	-	-	-	-
Balance at the end of the reporting year	**10,27,82,050**	**10,27,82,050**	**1,027.82**	**1,027.82**

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

The company has one class of equity shares having a par value of ₹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 percent shares	As at 31 Mar 2021		As at 31 March 2020	
	No.	%	No.	%
Vinod Saraf	1,39,00,582	13.52%	1,39,00,582	13.52%
Kavita Saraf	1,24,14,456	12.08%	1,24,14,456	12.08%
Suchir Chemicals Pvt. Ltd.	4,75,53,168	46.27%	4,75,40,253	46.25%

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

Consolidated Statement of Changes in Equity (Contd..)

for the year ended 31st March 2021

(₹ in Lacs)

Other Equity	Reserves and Surplus					Other Comprehensive Income(OCI)	Total
	Securities Premium	General Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the Year 1st April 2019	**636.28**	**5,947.60**	**30.40**	**4.00**	**97,638.62**	**(156.84)**	**1,04,100.06**
Profit for the previous reporting period	-	-	-	-	33,382.48	-	33,382.48
Other Comprehensive Income for the Previous Reporting year ending 31st March 2020	-	-	-	-	-	(37.51)	(37.51)
Total	**636.28**	**5,947.60**	**30.40**	**4.00**	**1,31,021.10**	**(194.35)**	**1,37,445.03**
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;	-	-	-	-	(10,532.28)	-	(10,532.28)
Balance at the beginning of the Year 1st April 2020	**636.28**	**5,947.60**	**30.40**	**4.00**	**1,20,488.82**	**(194.35)**	**1,26,912.75**
Profit for the current reporting period	-	-	-	-	26,932.09	-	26,932.09
Other Comprehensive Income for the Current Reporting year ending 31 March 2021	-	1.12	-	-	-	(18.91)	(17.79)
Total	**636.28**	**5,948.72**	**30.40**	**4.00**	**1,47,420.91**	**(213.26)**	**1,53,827.05**
Transactions with owners in their capacity as owners:							
Dividends;	-	-	-	-	(513.91)	-	(513.91)
Balance at the end of the reporting year	**636.28**	**5,948.72**	**30.40**	**4.00**	**1,46,907.00**	**(213.26)**	**1,53,313.14**

Consolidated Statement of Changes in Equity (Contd..)

for the year ended 31st March 2021

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 Lacs & ₹0.40 Lacs of share forfeiture.
iv. Capital Redemption Reserve	Capital Redemtion 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.

The Notes are an integral part of these financial statements

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/W100672

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 May, 2021

Consolidated Cash Flow Statement for the year ended 31st March 2021

(₹ in Lacs)

Particulars	Year ended 31st March 2021 Audited		Year ended 31st March 2020 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		**33,523.95**		**42,467.26**
Adjustment for :				
Depreciation	4,291.45		3,316.05	
Unrealised foreign exchange loss/(gain)	(24.30)		(971.52)	
Finance Cost (including fair value change in financial instruments)	21.19		109.22	
Interest Income	(210.45)		(239.27)	
Dividend Income	-		(713.00)	
Net gains on fair value changes on financial assets classified as FVTPL	(630.71)		(302.39)	
Net gain on sale of Investments classified as FVTPL	(233.43)		(83.06)	
Remeasurements of Defined benefit plans	(25.27)		(50.13)	
Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment	(1.82)	3,186.65	(2.17)	1,063.73
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**36,710.60**		**43,530.99**
Trade receivables	(7,522.54)		5,191.60	
Other Non Current Financial assets	102.23		(13.17)	
Other Current Financial assets	205.53		-	
Other Non Current Assets	(49.59)		11.52	
Other Current Assets	(712.58)		2,669.52	
Inventories	(2,876.89)		(77.61)	
Trade Payable	1,100.25		254.38	
Provisions	26.27		120.09	
Other non-current liabilities	98.87		115.10	
Other Current Financial Liabilities	184.16		(521.76)	
Other current liabilities	708.77	(8,735.52)	362.24	8,111.91
CASH GENERATED FROM OPERATIONS		**27,975.08**		**51,642.90**
Direct Taxes paid		(6,074.43)		(10,050.14)
NET CASH FROM OPERATING ACTIVITIES		**21,900.65**		**41,592.76**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(4,933.39)		(31,008.97)	
Capital Work in Progress And Capital Advance	(3,396.29)		17,218.35	
Proceeds from sale of Property, Plant and Equipment	36.38		69.94	
Purchase of Investments	(13,012.20)		(4,860.18)	
Proceeds from sale of Investments	10,251.70		2,189.90	
Loans (Financial assets)	(13,164.36)		(25.23)	
Deposits/Balances with Banks	4,027.20		(4,067.06)	
Interest Income	361.44		24.61	
Dividend income	-		713.00	
NET CASH USED IN INVESTING ACTIVITIES		**(19,829.52)**		**(19,745.64)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / Proceeds from Working Capital Facilities (Net)	167.84		(333.61)	
Non Current Financial Liabilities - Security Deposits	97.08		(0.57)	
Interest paid	(21.19)		(109.22)	
Dividend and Corporate Dividend Tax	(553.54)		(10,462.06)	
NET CASH FROM FINANCING ACTIVITIES		**(309.81)**		**(10,905.46)**

Consolidated Cash Flow Statement for the year ended 31st March 2021

(₹ in Lacs)

Particulars	Year ended 31st March 2021 Audited		Year ended 31st March 2020 Audited	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,761.32**		**10,941.66**
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020		**15,858.13**		**4,916.47**
- Cash and cash Equivalents		909.32		4.06
- Highly Liquid Investments		14,948.81		4,912.41
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021		**17,619.45**		**15,858.13**
- Cash and cash Equivalents		168.32		909.32
- Highly Liquid Investments		17,451.13		14,948.81

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

The Notes are an integral part of these financial statements

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/W100672

N.Kashinath
Partner
Mem.No.036490

Mumbai, Dated 13th May, 2021

For and on behalf of Board of Directors

Millind Wagh
Company Secretary

Vinod Saraf
Chairman
DIN: 00076708

Nand Kishor Goyal
Chief Financial Officer

Vinati Saraf Mutreja
Managing Director & CEO
DIN: 00079184

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 1 : Significant Accounting Policies

A General Information

The consolidated financial statements comprise financial statements of Vinati Ogranics Limited (the Group) and its subsidiary (collectively, the Group) for the year ended 31 March 2021. The Group is engaged in manufacturing of speciality chemicals.

B Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Vinati Organics Limited and its wholly owned subsidiary, Veeral Organics Private Limited as at 31 March, 2021.

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holder

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

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

ii Basis of preparation and presentation

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

a) Certain financial assets/liabilities measured at fair value (Refer note C-20) and

b) Any other item as specifically stated in accounting policy.

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

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

The financial statements of the Group for the Year Ended 31 March 2021 were authorised for issue in accordance with a resolution of the board of directors on 13th May, 2021.

iii Major Sources of Estimation Uncertainty

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

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

Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain intangible assets based on technical advice which considered the nature of the asset, the usage of the asset and anticipated technological changes. The group 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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

rate used for value in use calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The Group 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.

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

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

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

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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 Asset	Estimated Useful Life
Tangible:	
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 Holding 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 Holding 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.

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 Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that

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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 Group 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 Lease

Where the Group is a Lessee -

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

At the date of commencement of the lease, the Group 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 Group 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

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cost less any lease incentives and restoration cost. They are subsequently measured at cost less accumulated depreciation and inpaired 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 Group's accounting policy for impairement of tangible and intangible assets.

Where the Group is a Lessor -

Lease income from operating leases where the Group 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 Group 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 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 Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

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

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

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

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

9 Foreign Currency Transactions

The financial statements of Group 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 Group 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

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Group. 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 book overdrafts. However, Book 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 Group 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 Group 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 Group 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 Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

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

Use of significant judgements in revenue recognition

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

  The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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

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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 Group 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 Group 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 Group 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 Group provides the following post-employment benefits:

i) Defined benefit plans such as gratuity and

ii) Defined Contribution plans such as provident fund & national pension scheme

Defined benefits plans

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

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

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

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

Defined Contribution Plans

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

16 Income Taxes

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

Current tax

Current tax 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

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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 Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

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 Group by the weighted average number of equity shares outstanding during the year.

18 Current versus non-current classification

The Group 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 Group 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.

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

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

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

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

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

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Group 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 Group 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 Group.

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies ,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 intially 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 Group 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 financials 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 financials 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 .

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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 Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Derecognition

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Group 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 Group 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 Group 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 Group 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 Group assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Group 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.

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b) **Financial Liabilities**

The Group's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables etc.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities classified as Fair value through profit and loss (FVTPL)

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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).

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standard for amendments to the existing standards. There is no such notifications which would have been applicable from 1st April 2021.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 2 (a) Property, Plant and Equipment

(₹ in Lacs)

Particulars	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Air Conditioners	Total
Gross Block									
At cost as at 31 March 2019	**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	25,949.08	74.41	7.29	3.49	9.61	8.68	31,008.62
Disposals /adjustments	-	-	(68.21)	-	(16.83)	-	-	-	(85.04)
At cost as at 31 March 2020	**26.18**	**23,159.60**	**61,037.23**	**479.91**	**230.07**	**36.11**	**56.52**	**53.05**	**85,078.67**
Additions	87.53	948.41	3,831.21	21.25	26.60	3.19	4.66	3.27	4,926.12
Disposals /adjustments	-	-	(42.22)	-	(10.98)	-	-	-	(53.20)
At cost as at 31 March 2021	**113.71**	**24,108.01**	**64,826.22**	**501.16**	**245.69**	**39.30**	**61.18**	**56.32**	**89,951.59**
Depreciation Block									
Accumulated depreciation / amortisation as at 31 March 2019	**-**	**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)
Accumulated depreciation / amortisation as at 31 March 2020	**-**	**1,967.11**	**7,783.97**	**203.01**	**121.68**	**25.64**	**35.73**	**32.09**	**10,169.23**
Depreciation / Amortisation for the year	-	698.10	3,442.91	53.27	25.06	2.95	7.39	5.83	4,235.51
Disposals /adjustments	-	-	(11.08)	-	(7.56)	-	-	-	(18.64)
Accumulated depreciation / Amortisation as at the 31 March 2021	**-**	**2,665.21**	**11,215.80**	**256.28**	**139.18**	**28.59**	**43.12**	**37.92**	**14,386.10**
Net Block									
As at 31 March 2020	**26.18**	**21,192.49**	**53,253.26**	**276.90**	**108.39**	**10.47**	**20.79**	**20.96**	**74,909.44**
As at 31 March 2021	**113.71**	**21,442.80**	**53,610.42**	**244.88**	**106.51**	**10.71**	**18.06**	**18.40**	**75,565.49**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

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

(₹ in Lacs)

Particulars	Total
As at 31 March 2020	**3,097.07**
As at 31 March 2021	**5,580.19**

Notes:

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 Lacs)

Particulars	31-Mar-21	31-Mar-20
Legal and Professional Charges	16.25	12.35
Travelling Expenses	-	0.37
Rates & Taxes	22.39	4.82
Insurance Charges	10.69	8.79
Total	**49.33**	**26.33**

Note 2 (c) Intangibles

(₹ in Lacs)

Particulars	Computer Software	Technical Know How	Total
Gross Block			
At cost as at 31 March 2019	**116.06**	**453.50**	**569.56**
Additions	0.37	-	0.37
Disposals /adjustments	-	-	-
At cost as at 31 March 2020	**116.43**	**453.50**	**569.93**
Additions	7.27	-	7.27
Disposals /adjustments	-	-	-
At cost as at 31 March 2021	**123.70**	**453.50**	**577.20**
Depreciation Block			
Accumulated depreciation / amortisation as at 31 March 2019	**83.35**	**226.39**	**309.74**
Depreciation / Amortisation for the year	14.79	78.75	93.54
Disposals /adjustments			
Accumulated depreciation / amortisation as at 31 March 2020	**98.14**	**305.14**	**403.28**
Depreciation / Amortisation for the year	7.77	48.17	55.94
Disposals /adjustments	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2021	**105.91**	**353.31**	**459.22**
Net Block			
As at 31 March 2020	**18.29**	**148.36**	**166.65**
As at 31 March 2021	**17.79**	**100.19**	**117.98**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 3 Investments

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Fully paid up - Quoted - Non Trade				
Equity Shares (at fair value through Profit or Loss)				
3,56,000 Units of Brookfield India Real Estate Investment Trust Limited of Face Value of ₹ 275 each fully paid up	794.59	-	-	-
Fully paid up - Unquoted - Non Trade				
i) In Mutual Fund Units: (at fair value through Profit or Loss)				
Income Plan: Growth Option	-	-	17,451.13	14,948.81
ii) In ETF (at fair value through Profit or Loss)	3,342.30	-	-	3,003.00
iii) In Non Convertible Debentures: (at fair value through Profit or Loss)	6,638.36	-	640.05	4,787.66
Total	**10,775.25**	**-**	**18,091.18**	**22,739.47**

Note 4 Loans (Unsecured, considered good)

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Carried at Amortised cost :				
Loans to related parties	13,186.40	-	-	-
Loans and Advances to employees	-	-	8.30	30.34
Total	**13,186.40**	**-**	**8.30**	**30.34**

Note 5 Other Financial Assets

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Carried at Amortised cost :				
Bank deposits with more than 12 months maturity	12.89	96.41	-	-
Others;				
Security Deposits	113.17	215.40	-	-
Interest Accrued on Loans and Deposits	-	-	88.78	225.22
Export Benefits receivables	-	-	1,002.97	1,013.24
Others	-	-	286.04	481.30
Total	**126.06**	**311.81**	**1,377.79**	**1,719.76**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 6 Other Assets

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital Advances	1,429.78	516.61	-	-
Advances other than capital advances;				
Security Deposits	6.99	6.99	534.20	523.80
Advances to suppliers	-	-	1,458.09	1,002.70
Interest Accrued on Deposits	-	-	-	13.43
Sub Total	**1,436.77**	**523.60**	**1,992.29**	**1,539.93**
Others				
Balance with Statutory authorities	-	-	2,284.16	2,033.49
Advances recoverable in cash or kind	-	-	386.60	422.15
Prepaid Expenses	1,081.94	1,032.35	120.36	88.69
Sub Total	**1,081.94**	**1,032.35**	**2,791.12**	**2,544.33**
Total	**2,518.71**	**1,555.95**	**4,783.41**	**4,084.26**

Note 7 Inventories

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw Materials	2,098.01	1,509.09
Raw Materials in transit	1,146.36	1,251.33
Work-in-progress	1,954.00	1,063.68
Finished goods	3,466.55	1,537.21
Stores and spares	3,529.04	3,955.76
Total	**12,193.96**	**9,317.07**

Note 8 Trade Receivables

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good	27,720.34	20,177.65
Total	**27,720.34**	**20,177.65**

Note: The Group 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 9 Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks (of the nature of cash and cash equivalents)	166.97	908.04
Cash on hand	1.35	1.28
Total	**168.32**	**909.32**

Notes to the Consolidated Financial Statements
for the year ended 31st March 2021

Note 10 Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than 3 months but less then 12 months	293.13	4,197.18
Others:		
Unclaimed Dividend Account	223.94	263.57
Total	**517.07**	**4,460.75**

Note 11 Other Financial Liabilities

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Carried at Amortised Cost :				
Unclaimed dividends	-	-	223.94	263.57
Others :				
Security Deposit	121.80	24.72	-	-
Employee benefits	-	-	-	25.76
Liabilities for expenses	-	-	230.71	20.79
Total	**121.80**	**24.72**	**454.65**	**310.12**

Note 12 Deferred Tax Liabilities - (Net)

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Liabilities (Net);		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	7,705.95	7,050.75
- Unrealised (gain)/loss on FVTPL debt Mutual Funds And equity instruments	195.68	83.94
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	(108.89)	(75.34)
-Unabsorbed Capital Losses	-	(11.03)
Total	**7,792.74**	**7,048.32**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 13 Other Liabilities

(₹ in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Contract Liabilities	-	-	52.04	93.14
Others;				
Statutory Dues	-	-	419.34	210.30
Liabilities for expenses	-	-	1649.14	797.92
Others	481.52	382.65	3.31	314.68
Total	**481.52**	**382.65**	**2123.83**	**1,416.04**

During the Year Ended 31 March 2021, the Group recognised revenue of ₹ 93.14 Lacs (Previous year ₹ 77.35 Lacs) arising from opening unearned revenue (contract liabilities).

Movement of contract liabilities is as under:

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
As at beginning of the year	93.14	77.94
Recognised as revenue from contracts with customers	-6,727.24	-9,542.67
Advance from customers received during the year	6,686.14	9,557.87
Balance at the close of the year	**52.04**	**93.14**

Note 14 Borrowings

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
CURRENT		
Secured		
Loans repayable on demand		
- from banks	202.49	34.65
Total	**202.49**	**34.65**

Nature of Borrowings Working Capital Advances from Banks	Interest Rate
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 buidling at Mahad and second charge on all property,plant And equipment situated at Lote Works and personal guarantee of Chairman, Mr. Vinod Saraf.	Rupee Loan carries interest ranging from 7.10% to 8.20% (Previous Year 8.20% to 9.00%.) Export Bill Discounting Facility (Pre And Post Shipment) carries interest Nil (Previous Year - Nil)

Notes to the Consolidated Financial Statements
for the year ended 31st March 2021

Note 15 Trade Payables

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Outstanding due of Micro and Small Enterprises (Refer Note 28(d))	299.62	215.61
Outstanding due of Creditors other than Micro and Small Enterprises	6,363.49	5,350.41
Total	**6,663.11**	**5,566.02**

Note 16 Provisions

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (Refer Note 28(g))	469.92	443.65
Total	**469.92**	**443.65**

Note 17 Revenue from Operations

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Sale Of Products	94,218.06	1,01,052.21
Other Operating Revenues:		
Export Incentives	1,132.51	1,786.58
Scrap Sales	75.24	48.60
Revenue from operations	**95,425.81**	**1,02,887.39**

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 seperate disclosures of disaggregated revenues are reported (Refer Note 28(c)).

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

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Gross Sales (Contracted Price)	99,188.10	1,05,247.53
Reductions towards variable consideration (Turnover discount, Other Expenses)	(4,970.04)	(4,195.32)
Revenue recognised	**94,218.06**	**1,01,052.21**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 18 Other Income

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Interest Income	211.57	239.27
Dividend Income from Current Investment	-	713.00
Net gain on sale of Investments classified as FVTPL	775.72	190.80
Net gains on fair value changes on financial assets classified as FVTPL	1,084.52	442.30
Gain on Foreign Exchange Translations	408.80	2,049.26
Other Non-Operating Income;		
Miscellaneous Income	103.82	864.29
Total	**2,584.43**	**4,498.92**

Note 19 Cost of Materials consumed

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening Stock of Raw Materials	2,760.42	2,760.42
Purchases during the year	42,069.51	43,149.68
Closing Stock of Raw Materials	(3,244.37)	(2,760.42)
Total	**41,585.56**	**43,149.68**

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

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Closing Stock:		
Finished Goods	3,466.55	1,537.21
Work-in-Progress	1,953.99	1,063.69
	5,420.54	**2,600.90**
Less: Opening Stock:		
Finished Goods	1,537.21	1,559.99
Work-in-Progress	1,063.69	761.50
	2,600.90	**2,321.49**
Total	**(2,819.64)**	**(279.41)**

Note 21 Employee Benefits Expense

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Salaries and Wages	6,501.01	5,736.01
Contribution to provident, gratuity and other funds	586.10	514.27
Staff welfare expenses	177.14	177.42
Total	**7,264.25**	**6,427.70**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 22 Finance Costs

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Interest on Working Capital Facilities	8.89	96.92
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	12.30	12.30
Total	**21.19**	**109.22**

Note 23 Depreciation and Amortisation expense

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation on Property, Plant And Equipment	4,235.51	3,222.51
Amortisation on Intangible Assets	55.94	93.54
Total	**4,291.45**	**3,316.05**

Note 24 Other Expenses

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Stores and Spares Consumed	3,063.83	3,078.12
Power and Fuel	6,105.42	5,014.90
Processing Expenses	1,536.45	1,379.61
Rent	16.16	13.70
Rates and Taxes	92.44	92.95
Insurance	443.04	264.60
Printing and Stationery	21.61	25.18
Water Charges	232.12	243.72
Repairs and Renewals:		
Buildings	102.00	131.31
Plant and Machinery	496.00	365.34
Other Assets	68.18	87.22
Travelling and Conveyance	229.24	211.12
Communication Expenses	26.84	27.16
Corporate Social Responsibility Expenses	702.22	366.96
Vehicle Expenses	55.98	57.30
Auditors' Remuneration:		
As Auditors:		
Audit fee	7.75	6.50
Other Services	2.00	2.00
	9.75	**8.50**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 24 Other Expenses (Contd..)

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Cost Auditors Remuneration:		
Audit fee	0.60	0.60
Directors' Fees	13.50	11.25
Directors' Travelling Expenses	0.07	19.44
Security Expenses	163.82	130.90
Commission	244.06	200.34
Bank Charges	73.63	94.38
Miscellaneous Expenses	446.52	371.21
Total	**14,143.48**	**12,195.81**

Note 25

A. Capital Management

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

As at 31 March, 2021, the Group 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 Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

B. Financial Risk Management

The Group'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 Group. The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.

The Group 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 Group 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 Group's profit for the Year Ended 31 March 2021 would have been decreased/increased by ₹ 2.02 Lacs (PY 2019-20 : ₹0.35 Lacs).

Notes to the Consolidated Financial Statements
for the year ended 31st March 2021

Note 25 (Contd..)

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not its functional currency. The exposure to foreign currency risk of the Group at the end of the reporting period expressed is as follows:

Unhedged Short Term Exposures :		Amount (In Million)		(₹ in Lacs)	
		31st March 2021	31st March 2020	31st March 2021	31st March 2020
Financial Assets	USD	24.11	13.50	17,633.11	10,166.94
	EURO	0.74	1.19	636.21	983.09
Financial Liabilites	USD	2.56	1.82	1,873.79	1,376.61
	EURO	0.00	0.03	3.74	27.79
Net exposure	USD	21.55	11.68	15,759.32	8,790.33
	EURO	0.74	1.15	632.47	955.30

The Group 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 ₹ 157.59 Lacs (Previous Year -₹ 87.90 Lacs).

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

Derivatives - Forward Contracts

The Group enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of firm commitments. The derivative that is either not designated as hedge or is so designated but is ineffective is categorised as a financial asset or liability at fair vale through Profit or Loss.

The outstanding position and exposures are as under :

Particulars	Currency	Amount (In Million)	Rupees Lacs	Nature	Cross Currency
Forward Contract (20-21)	USD	-	-	Export Sales	INR
Forward Contract (19-20)	USD	6.90	5,259.33	Export Sales	INR

Price Risks

More than two-third of the Group'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 Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Group 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 Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Group is exposed to price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group 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 31at March 2021 the investments in mutual funds/Debt Instruments/ETF/Equity Shares amounts to ₹28,866.43 Lacs (PY 2019-20 : ₹ 22,739.47 Lacs). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to aprroximatly an additional ₹288.66 Lacs (PY 2019-20 : ₹ 227.39 Lacs) on either side in the statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 25 (Contd..)

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers, financial instruments viz., Investments in Debt Funds and Balances with Banks.

Trade receivables

The Group'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 Group grants credit terms in the normal course of business. The Group 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 2021 is 0.18% of the total trade receivables. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, mutual funds equity shares and loans to subsidiary companies. It has a diversified portfolio of investments with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its treasury department.

iii) Liquidity Risk

The principal sources of liquidity of the Group are cash and cash equivalents, investment in mutual funds, fund and non-fund based working capital lines from various banks and the cash flow that is generated from operations. It believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Standalone Balance Sheet date.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

(₹ in Lacs)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	14	202.49	-	-	-
	-	(34.65)	-	-	-
Trade Payable	15	6,663.36	-	-	-
	-	(5,566.02)	-	-	-
Other Non Current Financial Liabilities	11	-	121.80	-	-
	-	-	(24.72)	-	-
Employee Benefit/ Expense liabilities	11	230.71	-	-	-
	-	(46.55)	-	-	-
Unclaimed dividends	11	223.94	-	-	-
	-	(263.57)	-	-	-

Figures in brackets are in respect of Previous year

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 26 Fair Values and Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

(₹ in Lacs)

Particulars	Hierarchy	Fair Value	
		As at 31 March 2021	As at 31 March 2020
Financial Assets			
- Investments	Level One	28,866.43	22,739.47

Level 1: This includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.

Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
	Carrying Value/Fair Value	
Financial Assets		
Loans	13,186.40	-
Security Deposits	113.17	215.40
Bank deposits	12.89	96.41
Other Assets	1,377.79	1,719.76
Total Financial Assets	**14,690.25**	**2,031.57**
Financial Liabilities		
Security Deposits	121.80	24.72
Other Liabilities	454.65	310.12
Total Financial Liabitlites	**576.45**	**334.84**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

NOTE 27 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ in Lacs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Accounting Profit before Income Tax	33,523.95	42,467.26
At statutory income tax rate of 25.168% (31 March 2020: 25.168%)	8,437.31	10,688.16
Additional deduction	(646.70)	(873.03)
Income taxable at different rates	58.38	17.11
Effect of exempt/non taxable income	(463.72)	(348.01)
Effect of non-deductible expenses	189.12	110.06
Others	(0.06)	(34.78)
Total	**7,574.33**	**9,559.51**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information

a) Earnings Per Share

(₹ in Lacs)

Particulars		**Year ended 31st March 2021**	**Year ended 31st March 2020**
Profit after taxation	₹ Lacs	26,932.09	33,382.48
Weighter Average Number of equity shares (Face Value ₹ 1/-)	Nos.	10,27,82,050	10,27,82,050
Earnings per share	₹	26.20	32.48

b) The Holding 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 Holding 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 Lacs/- (previous year ₹ 2.18 Lacs/-).

c) Disclosures under Ind AS 108 - ""Operating Segment" - (Refer Note below)

(i) Entity wide disclosure required by Ind AS 108 are as detailed below:

(₹ in Lacs)

Particulars	**2020-21**	**2019-20**
Speciality Chemicals	92,060.03	99,616.88
Others	2,158.03	1,435.33
	94,218.06	**1,01,052.21**

(ii) Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Group'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 Lacs)

Particulars	**2020-21**	**2019-20**
Revenue from External Customers:		
India	29,760.91	26,354.29
Outside India	64,457.15	74,697.92
	94,218.06	**1,01,052.21**
Non-current assets (other than financial instruments)		
India	83,782.37	79,729.11
Outside India	-	-

(iii) There are no transactions with single external customer which amounts to 10% or more of the Group's revenue.

Note:-

The Group 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 Group are given under and have been relied upon by the auditors:

(₹ in Lacs)

Particular	**As at 31st March 2021**	**As at 31st March 2020**
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	299.62	215.61

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 Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

e) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Holding Company. The Holding 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.

(₹ in Lacs)

Particulars	2020-21	2018-19
Opening Balance	-	
Gross amount required to be spent by the Holding Company	702.22	555.50
Amount deposited in separate CSR unspent account	417.65	
Amount spent by the Holding Company during the year on purpose other than construction/ acquisition of assets	284.57	366.96
Closing balance	-	

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) Mr. Jayesh Ashar - Director - Operations – w. e. f. 02nd February 2021.

iv) Mrs. Viral Saraf Mittal - Director CSR

v) N. K. Goyal - Chief Financial Officer (CFO)

vi) Milind Wagh - Company Secretary

Relatives of Key Management Personnel:

i) Mr. Sunil Saraf - Brother of Mr. Vinod Saraf

ii) 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 Partiesi) Vinati Oragnics Limited - Group Gratuity Trust

i) Vinati Oragnics Limited - Group Gratuity Trust

ii) Mrs. Kavita Vinod Saraf Foundation

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

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

(b) Transactions with related parties (excluding reimbursements)

Nature of Transactions

(₹ in Lacs)

Particulars	Year Ended 31-Mar-21	Closing balance as on 31-Mar 21	Year Ended 31-Mar-20	Closing balance as on 31-Mar 20
i) Key Management Personnel:				
Managerial Remuneration *				
Directors	381.37	-	332.12	-
CFO	79.49	-	72.90	-
Company Secretary	30.46	-	27.89	-
Dividend paid during the year				
Vinod Saraf	64.29	-	1,181.55	-
Vinati Saraf Mutreja	5.60	-	102.90	-
Viral Saraf Mittal	4.82	-	88.60	-
ii) Relatives of Key Management Personnel:				
Sitting Fees				
Mr. Sunil Saraf	1.50	-	1.50	-
Dividend paid during the year				
Kavita Saraf	57.42	-	1,055.23	-
iii) Enterprise owned or significantly influenced by any management personnel or their relatives				
Sales - Viral Alkalis Ltd	4.57	0.08	17.27	-
Purchase - Viral Alkalis Ltd	677.88	111.44	408.83	34.27
Sale of Machinery - Viral Alkalis Ltd	-	-	20.66	-
Rent of Immovable property-Viral Alkalis Ltd	5.80	-	6.30	-
Sales - Veeral Additives Pvt. Ltd.	1,088.15	157.28	33.32	30.89
Purchase - Veeral Additives Pvt. Ltd.	98.61	-	14.85	-
Rent of Immovable property- Veeral Additives Pvt. Ltd.	4.80	-	4.80	1.60
Dividend Payment - Suchir Chemicals Private Ltd	219.93	-	4,037.53	-
Interest Income - Veeral Additives Pvt. Ltd.	75.87	75.87	-	-
Loan given to - Veeral Additives Pvt. Ltd.	13,186.40	13,186.40	-	-
iv) Other Related Parties				
Contributions paid	164.58	-	91.30	-
Contributions payable	-	155.39	-	164.58
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) The Chairman 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 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: ₹ 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 Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

g) Disclosures as per IND AS - 19 - Employee Benefits (Contd..)

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
i) Employer's contribution to Provident Fund and Family Pension Fund*	398.45	355.09

*Included in "Contribution to Provident and other Funds" (Note 21).

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
ii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	194.85	163.71

iii) The valuation results for the defined benefit gratuity plan as at 31-3-2021 are produced in the tables below:

i) Changes in the Present Value of Obligation

(₹ in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Present Value of Obligation as at the beginning	**1,219.65**	**1,009.49**
Current Service Cost	124.89	111.52
Interest Expense or Cost	76.01	63.84
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	6.46	(55.19)
- experience variance (i.e. Actual experience vs assumptions)	27.35	120.15
- change in demopgraphic Assumptions		
Benefits Paid	(48.96)	(30.16)
Present Value of Obligation as at the end	**1,405.40**	**1,219.65**

ii) Changes in the Fair Value of Plan Assets

(₹ in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Fair Value of Plan Assets as at the beginning	**1,055.06**	**918.19**
Investment Income	70.78	60.91
Adjustment to opening Fair Value of Plant Asset		
Return on Plan Assets excluding interest income	8.54	14.82
Employer's Contribution	164.58	91.30
Benefits Paid	(48.96)	(30.16)
Fair Value of Plan Assets as at the end	**1,250.00**	**1,055.06**

iii) Expenses Recognised in the Income Statement

(₹ in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Current Service Cost	124.89	111.52
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	5.23	2.93
Expenses Recognised in the Income Statement	**130.12**	**114.45**

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

g) Disclosures as per IND AS - 19 - Employee Benefits (Contd..)

iv) Other Comprehensive Income

(₹ in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Actuarial (gains) / losses		
- change in financial assumptions	6.46	(55.19)
- experience variance (i.e. Actual experience vs assumptions)	27.35	120.15
- change in demopgraphic Assumptions	-	-
Return on Plan Assets excluding interest income	(8.54)	(14.82)
Components of defined benefit costs recognised in other comprehensive income	**25.27**	**50.14**

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 2021	Year Ended 31 March 2020
Funds managed by Insurer	100%	100%

- In the absence of detailed information regarding Plan assets which is funded with Insurance Group, 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 2021	Year Ended 31 March 2020
Discount rate (per annum)	6.36%	6.42%
Salary growth rate (per annum)	6.00%	6.00%

b. Demographic Assumptions

Particulars	As on	
	Year Ended 31 March 2021	Year Ended 31 March 2020
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 42 years	5.00%	5.00%

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

g) Disclosures as per IND AS - 19 - Employee Benefits (Contd..)

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in Lacs)

Particular	As on 31 March 2021	As on 31 March 2020
Defined Benefit Obligation (Base)	1,405.40	1,219.65

(₹ in Lacs)

Particulars	As on 31 March 2021		As on 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	107.92	(95.51)	94.29	(83.30)
(% change compared to base due to sensitivity)	-92.32%	-106.80%	-92.27%	-106.83%
Salary Growth Rate (- / + 1%)	(84.03)	91.87	(73.87)	80.84
(% change compared to base due to sensitivity)	-105.98%	-93.46%	-106.06%	-93.37%
Attrition Rate (- / + 50%)	0.24	(0.17)	(0.54)	0.55
(% change compared to base due to sensitivity)	-99.98%	-100.01%	-100.04%	-99.95%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- Funding arrangements and Funding Policy

The scheme is managed on funded basis.

- Expected Contribution during the next annual reporting period	**(Rupees in Lacs)**
The Group's best estimate of Contribution during the next year	151.97
- Maturity Profile of Defined Benefit Obligation	
Weighted average duration (based on discounted cash flows)	9.83 Years
- Expected cash flows over the next (valued on undiscounted basis):	**(Rupees in Lacs)**
1 year	131.71
2 to 5 years	438.59
6 to 10 years	685.03
Above 10 Years	1,168.21

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

g) Disclosures as per IND AS - 19 - Employee Benefits (Contd..)

viii) Movement of Liability : Employee Benefit

Particulars	(Rupees in Lacs)
Opening balance	443.65
Add : Provision for the year	469.92
Less : Paid during the year	(443.65)
Closing Balance	469.92

h) Commitment

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 8,810.68 Lacs (Previous Year ₹ 4345.58 Lacs).

i) Contingent Liabilities not provided for:

(i) Bank Guarantees - ₹ 860.34 Lacs (Previous Year - ₹ 865.34 Lacs).

(ii) Letters of Credit issued by the Banks - ₹ 4458.70 Lacs (Previous Year - ₹ 2444.21 Lacs).

(iii) Claims not acknowledged as debts:

(a) Disputed Excise/Customs Duty/Service tax demands pending before the Appellate Authorities/High Court - ₹ 49.32 Lacs (Previous Year ₹ 49.32 Lacs) against which payment of ₹ 1.88 lacs (Previous Year ₹ 1.88 lacs) has been made.

(b) Disputed Income Tax Demands - ₹ 3.48 Lacs ((Previous Year ₹ 3.48 Lacs).

(c) Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of ₹23.25 Lacs (Previous Year ₹23.25 Lacs). The Group had filed the Appeal to The Additional Commissioner,Kokan Division against demand of ₹2.02 Lacs and appeal for Balance amount of ₹21.23 Lacs to Minister of Revenue. Groupis hopeful for the demand likely to be waived off against which payment of ₹ 6.99 Lacs (Previous Year - ₹ 6.99 Lacs) has been made.

(d) Delayed Payment Charges (DPC) of Water bill demanded by MIDC, Mahad for Plot No. B-5/6 ₹14.39 Lacs (Previous Year ₹14.39 Lacs). The Group requested MIDC to waive the DPC and hopeful to be waived off.

(e) The Group on the Balance Sheet date has reviewed all its pending litigations and proceedings with Tax Authorities. Pending demand raised by the authorities, the Group has made adequate provisions and made payment of ₹ 10 Crore for earlier years tax liabilities. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

j) Events Occuring after the Balance Sheet date

The proposed final dividend for FY 2020-21 amounting to ₹ 6,166.92 Lacs (PY 2019-20 : ₹ 513.91) will be recognised as distribution to owners during the financial year 2021-22 on its approval by Shareholders. The proposed final dividend per share amounts to ₹ 6/- (PY 2019-20 : ₹ 0.50).

k) Income tax adjustments for earlier years represent accrued tax benefits based on judicial pronouncement amounting to ₹1726.89 Lacs for year ended on March 2021.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2021

Note 28 Additional/Explanatory Information (Contd..)

l) i) The Board of Directors of the Holding Company in their meeting held on 2nd February, 2021, approved the scheme of amalgamation of Veeral Additives Private Limited ('VAPL') with the company w.e.f 1st April, 2021.

ii) This is to facilitate forward integration to the existing product lines of the Holding company. To expedite the completion of the project in time, and to avoid delays in the execution due to ongoing pandemic, the Holding Company has advanced loans of ₹ 13186.40 Lacs to the proposed amalgamating company with a reference made in the scheme that VAPL will conduct all activites as trustees for the Holding Company. Approval of the shareholders is sought in the ensuing general meeting.

m) The Holding Company has subscribed to the Memorandum and Articles of Association of Veeral Organics Private Limited, a subsidiary company on 5th October, 2020. Accordingly, this is the first Consolidated Financial Statements of the Group and hence pervious year figures are not comparable.

For M.M.Nissim & Co
Chartered Accountants
Firm Reg.No. 1107122W/W100672

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 May, 2021

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read
with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Veeral Organics Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	1,00,000
5.	Reserves & surplus	-44199
6.	Total assets	1,31,82,103
7.	Total Liabilities	1,31,26,302
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-44199
11.	Provision for taxation	-
12.	Profit after taxation	-44199
13.	Proposed Dividend	-
14.	% of shareholding	100%

NOTICE

NOTICE is hereby given that the THIRTY SECOND Annual General Meeting of the Members of VINATI ORGANICS LIMITED (the "Company") will be held on Saturday, 3rd July, 2021 at 11:00 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:

   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon

2. To declare a Final Dividend of ₹6/- on equity share of face value of ₹1 each for the financial year 2020–21.

3. To appoint a Director in place of Ms. Viral Saraf Mittal (holding DIN: 02666028) 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 2021 – 22."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   An appointment of and payment of remuneration to Shri Jayesh Ashar as Whole-time Director, designated as "Director - Operations":

   "**RESOLVED THAT** pursuant to 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 and Articles of Association of the Company, Shri Jayesh Ashar (DIN: 00041532), who on the recommendation of Nomination and Remuneration Committee was appointed by the Board of Directors as an Additional Director and designated as the "Director – Operations" of the Company with effect from February 2, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 185 of the Articles of Association of the Company and is eligible for appointment as Whole-time Director, be and is hereby appointed as the Whole-time Director and designated as the "Director – Operations" of the Company for the period from February 2, 2021 to March 31, 2024 and on the terms and conditions including remuneration as set out in the Statement annexed to 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 and / or remuneration as they may deem fit, and his office as Director is 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 the following resolution as a **Special Resolution:**

   Approval for loan given/ to be given to Veeral Additives Private Limited (VAPL)under Section 185 of the Companies Act, 2013:

   "**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board"), which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution for Loan given / to be given to Veeral Additives Private Limited (VAPL), an entity in which Promoter Directors of the Company are deemed to be interested (collectively referred to as the "Entities"), up to a sum not exceeding ₹250 Crores [Rupees Two Hundred Fifty Crores Only] at any point in time, in its absolute discretion and in the best interest of the Company."

"**RESOLVED FURTHER THAT** the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan including signing and/or execution of any deeds/documents/undertakings/agreements/papers/writings and to do all such acts, deeds and things as may be necessary and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution: -**

Approval for Transactions under Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

"**RESOLVED** that pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Veeral Additives Private Limited a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for the Loan given to Veeral Additives Pvt. Ltd, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹132 Crore, provided that such contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid 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
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224

Milind A Wagh
Company Secretary

Mumbai, 13th May 2021

The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI 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 MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of

Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice

3. 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 32nd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. 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 32nd 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 with a copy marked to evoting@nsdl.co.in.

   The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 26th June, 2021 to Saturday, 3rd July, 2021 (both days inclusive). Members are requested to intimate to the Corporate Office situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, "G" Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra the changes, if any, in their registered addresses, quoting their Folio Numbers/ or their client ID number with DP ID number, as the case may be. Non-resident Indian Members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:

   (a) the change in residential status on return to India for permanent settlement.

   (b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.

   Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

5. As per the provisions of the Act, facility for making nominations is available for the shareholders. The prescribed nomination form can be obtained from the Company's share department situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, "G" Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra.

6. 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, 5 , 6 and 7 mentioned in the above Notice is annexed hereto.

7. Dispatch of Annual Report through Electronic Mode:

   The Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India have permitted listed companies to send the Notice of the Annual General Meeting ("AGM") and the Annual Report to the shareholders by email only in view of prevailing COVID-19 pandemic situation and difficulties involved in despatch of physical copies.

   Pursuant to the General Circular Nos. 17/2020, 20/2020 and 02/2021 dated 13-April-2020, 5-May-2020 and 13-January-2021 respectively issued by the MCA. Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.vinatiorganics.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www. bseindia.com and www.nseindia.com respectively.

8. Registrars and Transfer Agents:

   The Company has appointed M/s. Link Intime 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 BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra and The National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

   The Annual Listing Fee as prescribed has been paid to the above stock exchanges.

10. The Dividend on the Equity Share as recommended by the Board of Directors 600% on the share capital of the Company i.e. ₹6/- per Equity Share of face value of ₹1/- each for the FY ended 31st March 2021, if declared at the meeting, will be made payable on 7th July, 2021 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 25th June, 2021 or those, whose names appear as beneficial owners as on 25th June, 2021 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 for FY 2021 – 22 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 rnt.helpdesk@linkintime.co.in On or before 22nd June 2021. 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 rnt.helpdesk@ linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders on or before 22nd June, 2021.

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. Link Intime 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.

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 form the concerned shareholders by 06.09.2020, the Company with a view to adhering with the requirements of the Rules, transfered the shares to the demat account of the IEPF Authority by the due date as per the procedure set out in the Rules transferred 84510 equity shares to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs on 21.09.2020 the details of shares transferred are as under:

Shares held in :	Number of records	Number of shares (Quantity)
CDSL	3	510
NSDL	-	-
Physical	29	84000
TOTAL	**32**	**84510**

For any queries on the above matter, shareholders are requested to contact the Company's Registrar and Share Transfer Agents: M/s. Link Intime India Pvt. Ltd. Unit: Vinati Organics Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai– 400083 Phone: 022- 49186270, Email: rnt.helpdesk@linkintime.co.in

13. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2013-2014, 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 2013-2014 are requested to make their claim to the Secretarial Department at the Corporate Office of the Company or the office of the R&TA on or before 12.09.2021, 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 23rd 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.

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 Link Intime India Pvt. Ltd, Registrar and Transfer Agents at www.linkintime.co.in. and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company or to its R&TA.

b) Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.

c) The Securities and Exchange Board of India (SEBI) vide its Circular dated 21st March, 2013 provided that companies making cash payments to its investors shall use approved electronic mode of payment such as ECS, NECS, and NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors: -

For securities held in Demat Mode, companies shall seek relevant bank details from the Depositories.

For securities held in Physical Mode, companies shall maintain updated bank details of its investors

d) Further, to avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company under the signature of the Sole/ First Joint Holder, the following information, so that the bank account number and name and address of the bank can be printed on the dividend warrants

1. Name of Sole/ First Joint holder and Folio number.

2. Particulars of bank account, viz.

i) Name of the bank

ii) Name of branch

iii) Complete address of bank with Pin code

iv) Account type, whether saving (SB) or Current Account (CA)

v) Bank Account Number

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. Viral Saraf Mittal, (DIN no. 02666028) 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. Viral Saraf Mittal**
Date of Birth	28.10.1986
Date of Appointment	19.05.2009
Qualifications	Bachelors of Science degree in Economics (Finance and Management) from The Wharton School, University of Pennsylvania.

Directorships held in other public Company	Viral Alkalis Limited
Memberships / Chairman of committees of other public companies	N/A

Mr. Vinod Saraf and Ms. Vinati Saraf Mutreja are interested in the appointment of Ms. Viral Saraf Mittal .

19. The Annual Report of the Company for the Financial Year 2020–2021, circulated to the Members of the Company, is available on the Company's website viz. www.vinatiorganics.com.

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 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiatives in corporate governance.

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 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 32nd 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 32nd AGM may also attend/ participate in the 32nd AGM through VC / OAVM but shall not be entitled to cast their vote again.

    Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on 26th June, 2021.

    The instructions for voting electronically are enclosed and also details of which shall be uploaded on the website of the Company.

25. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 26th June, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 26th June, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

26. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at shares@vinatiorganics.com. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

27. 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.

28. The Listing Fees for the year 2021-22 have been paid by the Company to BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.

29. 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 Link Intime India Pvt. Ltd, Registrar and Transfer Agents at www.linkintime.co.in. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime India Pvt. Ltd. (Company's RTA) in case the shares are held in physical form.

30. Since the 32nd 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.

31. The result declared along with the Scrutinizer's Report shall be placed on the Company's website 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
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224

Mumbai, 13th May 2021

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, 5, 6 & 7.

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, 2022.

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, 2022, 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 Jayesh Ashar as Whole-time Director, designated as "Director – Operations":

Shri Jayesh Ashar (DIN 00041532) has been appointed as an Additional Director and designated as the "Director – Operations" of the Company by the Board of directors considering the recommendation of the Nomination and Remuneration Committee, with effect from February 2, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 185 of the Articles of Association of the Company and is eligible for appointment as Whole-time Director for a period from February 2, 2021 till March 31, 2024 on the terms and conditions and remuneration approved by the Board of Directors (hereinafter the "Board") in its meeting held on February 2, 2021.

Shri Jayesh Ashar is having a rich and varied experience in the Chemical business industry and has been involved in the operations and management of the Company since last 30 years. It would be in the interest of the Company to induct him on the Board of Directors of the Company and to avail of his considerable expertise. Accordingly, pursuant to 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 being sought for passing a Resolution for the appointment of Shri

Jayesh Ashar as a Whole-time Director, designated as "Director - Operations", for a tenure from February 2, 2021 to March 31, 2024 and on the same terms and conditions including remuneration as given herein below and as covenanted in an agreement entered into by and between the Company and Shri Jayesh Ashar dated February 2, 2021:

WHEREAS Vinati Organics Limited agreed to appoint Mr. Jayesh Ashar as "Director – Operations" for a period commencing from 2nd February, 2021 to March 31, 2024 on a remuneration of ₹4,02,000/- (Rupees Four Lacs Two Thousand only) per month plus perquisites as per agreement and whose office shall liable to retire by rotation subject to approval of the members at the ensuing Annual General Meeting.

A brief profile along with other details of Shri Jayesh Ashar in compliance with Schedule V of the Companies Act, 2013 are provided below:

Shri Jayesh Ashar, is a Chemical Engineer, has been associated with the Company as Chief Operations Officer (COO) since 3 decades. During his tenure as COO he played a key role in the Company's rise to its prominent position and its presence in the Chemical businesses of the Company, boosting employee morale and focusing on delivering superior value to growth of the Company.

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 Shri Jayesh Ashar, in respect of his appointment as "Director – Operations", 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 No. 5 for appointment and remuneration of Shri Jayesh Ashar as Whole-time Director, designated as "Director - Operations", and is liable to retire by rotation.

Shri Jayesh Ashar, being the appointee and his relatives 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 Jayesh Ashar dated February 2, 2021 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 32nd 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 Jayesh Ashar, as the Whole-time Director, designated as the "Director – Operations" 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 Shri Jayesh Ashar as Director – Operations of the Company

General Information:

1. **Nature of Industry: Chemical Industry**

2. **Date of commencement of Commercial Production: The Company started its commercial production in the year 1989 – 90.**

3. **In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus: N. A.**

4. **Financial Performance based on given indicators:**

		₹ in Crores
Particulars	**Current Year**	**Previous Year**
Turnover	95425.81	102887.39
Profit Before tax	33525.51	42467.76
Profit After Tax	26914.74	33345.47

5. **Foreign Investments or Collaborations, if any:** NIL

II. **Information about the appointee:**

1. **Background details:**

   Mr. Jayesh Ashar is a Bachelor of Engineering (Chemical) and Master in Management Studies (operation) from Mumbai University.

   Shri Jayesh Ashar is the Chief Operating Officer (COO) of Vinati Organics Ltd. and having a rich experience of more than 30 years in varied industrial and manufacturing concern.

2. **Past remuneration:** Shri Ashar drew an aggregate remuneration of ₹73.98 Lacs, ₹83.04 Lacs and ₹92.38 lacs by way of Salary, Perquisites, Commission, retention bonus etc. in the previous immediate three Financial Years i.e. 2017–18, 2018–19 and 2019 – 20 respectively from Vinati Organics Ltd.

3. **Job Profile and his suitability:** Shri Ashar is the Chief Operating Officer (COO) and in-charge of the operations of the Company. Looking at the overall exposure and experience of Shri Ashar in diversified areas and responsibilities to be shouldered by him, he is suitable for the position.

4. **Remuneration proposed:** As mentioned in Explanatory Statement.

5. **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 Shri Ashar is commensurate with the remuneration paid to similar appointee in other companies.

6. **Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Shri Ashar does not have any pecuniary relationship directly or indirectly with the Company or Key Managerial Personnel (KMP) of the Company

III. Other information:

1	Reasons for inadequacy of profits	Not Applicable
2	Steps taken or proposed to be taken for improvement	Not Applicable
3	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.

As per the provisions of Section 185 of the Companies Act, 2013, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. In view of the above, the Board seeks approval of the shareholders for loan given/to be given which shall in aggregate not be more than ₹250 crores to Veeral Additives Pvt Ltd. ('VAPL'), entity in which Promoter Directors of the Company are deemed to be interested.

The Company approved the scheme to amalgamate Veeral Additives Pvt. Ltd. (VAPL) into Vinati Organics Ltd (VOL) w. e. f. 1st April 2021. VAPL is setting up a plant to manufacture Anti -Oxidants (AO) for petrochemicals like HDPE, PP, PS etc. VAPL wants to manufacture 3 products – AO1010, AO1076 and AO168 with a combined capacity of 24000 MT. These are value added products for VOL and will constitute forward integration of our existing product – Butyl phenol and will give synergy.

We also refer to Clause 2.3 of the Amalgamation scheme which provides that Post approval and announcement of the Amalgamation Scheme, VAPL will conduct all activities and its business operations in trust and for and on behalf of VOL.

To complete the project on time VAPL will be required to undertake further capex of ₹90 crs. With VAPL requiring few more months to commission its plant, VAPL will be required to incur monthly expenses on a/c of salary, interest on term loan etc. till December 2021.

VAPL had existing liabilities in the form of loans (secured and unsecured) to the tune of ₹152 crs. With VAPL requiring few more months to commission the plant it was in urgent need of funds to meet day to day expenses, additional capex etc.

VAPL requested VOL to grant loans up to ₹250 crs as they were not in a position to arrange funding from any other source. Non-availability of funds would result into the delay of commissioning of the plant of VAPL which would be detrimental to the interest of VOL, since post-merger VOL will own the entire business of VAPL. It was therefore prudent to utilize surplus funds of VOL to fund VAPL in the form of Unsecured Loans to reduce VAPL interest liability and finance capex and other requirements.

VOL is having surplus treasury to the tune of ₹480 crs which has been invested in mutual funds and other securities generating yield of 3% to 4% p.a. only.

Pursuant to provisions contained in Section 185 of the Companies Act, 2013 ('the Act') read with relevant Rules made thereunder, the Company has extended financial assistance by way of loan to Veeral Additives Private Limited on following terms.

No	Particulars	Details
1	Total Loan maximum aggregate value	sum not exceeding ₹250 Crores [Rupees Two Hundred Fifty Crores Only]
2	Rate of interest	6.25% p.a. (Simple Interest)
3	Purpose	Exclusively for the purpose of its Business & operation.
4	Period	Repayable in 24 months

In connection with the loan given/ to be given to the Veeral Additives Private Limited (VAPL) for the Purpose as stated above, the Prior approval of Audit Committee and Board was obtained. The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017).

The Board of Directors recommends the Special Resolution as set out at Item No. 6 of the Notice of the 32nd AGM, for the Members' approval.

Except Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja and Ms. Viral Saraf Mittal none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding in the Company, if any.

Item no. 7: Approval for Related Party Transactions:

To optimize the resources, minimize cost and to achieve synergy in the business operations of Vinati Organics Ltd. ("VOL") and Veeral Additives Pvt. Ltd. ("VAPL"), the Promoter Group Company, the Board of directors (the "Board") of your Company granted Loan to Veeral Additives Private Limited (VAPL) at arm's length basis.

Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") provide that any Related Party Transaction(s) will require approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the Annual Turnover of the Company as per last Audited Financial Statements of the Company. Further, Regulations 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") provide that any transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the Annual Consolidated Turnover of the listed entity as per the latest Audited Financial Statements as on 31.03.2021 of the listed entity and shall require approval of the members through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The loan given to VAPL in Q4FY21 amounting to ₹131.86 crores exceeds the 10% threshold limit. Accordingly, the transaction(s) entered into and or to be entered into with VAPL comes within the meaning of material Related Party Transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder and the Listing Regulations respectively. In connection with the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the prior approval of Audit Committee and Board was obtained.

Hence, approval of the members is being sought for the said Transaction entered into by your Company with VAPL under Regulation 23(4) of Listing Regulations and Section 188 of the Companies Act, 2013.

Particulars of the transaction(s) entered into with VAPL are as follows:

1 Name of the Related Party: Veeral Additives Pvt. Ltd.

2 Name of the Directors or KMPs who are related: Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja and Ms. Viral Saraf Mittal

3 Nature of Relationship: Promoter Group Company

4 Nature, material terms, monetary value and particulars of the Loan given during financial year 2020 – 21 is ₹131.86 Crore.

5 Any other information relevant or important for the members to take a decision on the proposed resolution: Simple interest rate @ 6.25% p.a., Repayable in 24 months.

Except Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja and Ms. Viral Saraf Mittal, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding in the Company, if any.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the Notice of 32nd AGM, for Members' approval.

Registered Office:

B-12 & B-13/1, MIDC Industrial Area,
Mahad – 402 309, Dist. Raigad, Maharashtra.
Tel No.: 022-61240444/428, Fax No.: 022-61240438
Email : shares@vinatiorganics.com
Website: www.vinatiorganics.com
CIN: L24116MH1989PLC052224

Mumbai, 13th May 2021

By order of the Board of Directors

Milind A Wagh
Company Secretary

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: -

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

Name of Director	Ms. Viral Saraf Mittal	Mr. Jayesh Ashar
DIN	02666028	00041532
Date of birth	28.10.1986	09.03.1964
Date of appointment	19.05.2009	02.02.2021
Expertise in specific Professional areas	Ms. Viral Saraf Mittal became a part of VOL in 2009. 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. Jayesh Ashar having about 30 years experience mostly in chemical plants. Worked in area of operations & projects for diversification and enhancement of capacity of existing products.
Qualification	Bachelors of Science degree in Economics (Finance and Management) from The Wharton School, University of Pennsylvania.	Bachelor of Engineering (Chemical) and Master in Management Studies (operation) from Mumbai University
List of other Indian Public Limited Companies in which Directorship held as on March 31, 2021	Nil	Nil
Chairman/ Member of the Committee of Board other Public Limited Companies as on March 31, 2021	Nil	Nil
Terms and conditions of Appointment/ Re-appointment	As per Agreement	As per Agreement
Remuneration last drawn (including sitting fees, if any)	70.87 Lacs	102.69 Lacs
Remuneration proposed to be paid	Nil	Nil
Number of Meetings of the Board attended during the Year	4	1
Number of Shares held in the Company as at March 31, 2021	1042366	Nil
Relationship between Directors inter-se	Promoter	N/A

Vinati Organics Limited

The instructions for members 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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 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 AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the 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 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 AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the 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 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 voting on the day of the 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 AGM has been uploaded on the website of the Company at 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 and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. 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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Wednesday, 30th June, 2021 at 09:00 A.M. and ends on Friday, 2nd July, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 26th June, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 26th June, 2021.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user 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.

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. 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.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. 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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Soni Singh) at 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).

2. 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). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 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 AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the 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 AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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). The same will be replied by the company suitably.

Notes

Notes

Disclaimer

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.

Vinati Organics Limited
Parinee Crescenzo, 1102, 11th Floor,
"G" Block, Plot No. C38 & C39,
Behind MCA, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051