



Vinati Organics Ltd.
27th Annual Report 2015-16

SUSTAINABLE VALUE CREATION

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY OF FINANCIALS

Our track record of success

Rupees in Lacs

Revenue from Operations

2015-16

63,095

2014-15	2013-14	2012-13	2011-12
77173	69613	54170	44210

Operating EBITDA

2015-16

20,855

2014-15	2013-14	2012-13	2011-12
19177	15289	11939	9447

Profit Before Tax

2015-16

18,656

2014-15	2013-14	2012-13	2011-12
17350	12859	10261	8161

Profit After Tax

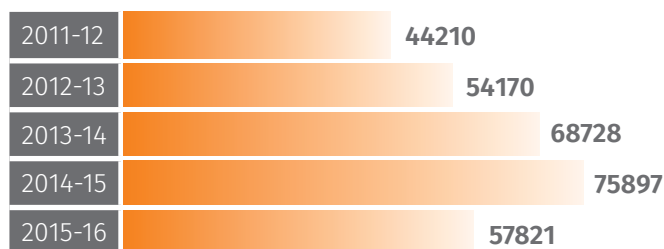
2015-16

13,157

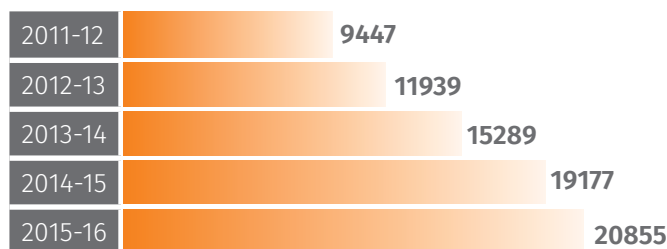
2014-15	2013-14	2012-13	2011-12
11579	8615	6866	5482

Rupees in Lacs

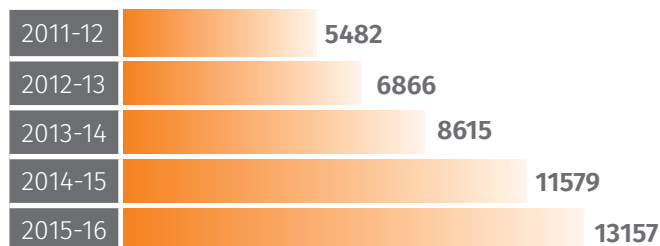
Net Sales



EBIDTA

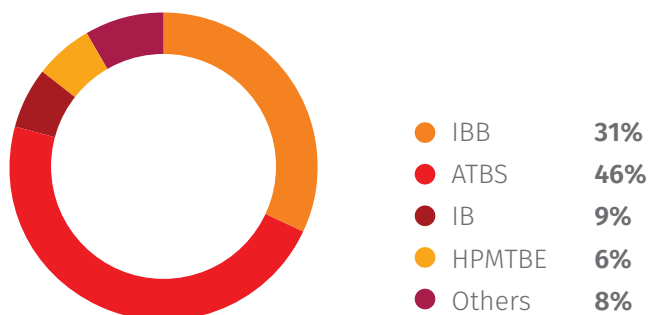


PAT



In %

Sales mix 2015-16



Creating value cannot be a one-off incident. In order to truly make a long-term difference, it is important to sustain that value creation over a period of time. But in a world that's constantly changing, such sustenance becomes a challenge, which can only be met by the one who is prepared to put in the best, continuously. Like us.

This year we have aggressively conserved our vital resources; invigorated our customer relationships and leadership position in the markets; diversified our horizons to newer arenas and consistently evolved. Without a doubt, we've created immense value. But more importantly, we have created a value that's sustainable, effective and enduring, with the potential to reach greater heights in the upcoming years.

WHO WE ARE

Founded in 1989 by Mr. Vinod Saraf, the Company today consists of a wide range of products in its portfolio that have shaped the corporate brand of Vinati Organics - both in India and globally. Our products have been helping clients for decades, influencing positively the industry in which we operate. With market leadership in our key products, we operate in more than 25 countries globally, delivering products of quality and choice.

Vision

Our vision is to be a global leader in the manufacturing niche speciality products by adopting sustainable and eco-friendly technologies.

Mission

- ▲ Manufacture superior quality products that lead to enhanced customer satisfaction
- ▲ Harness growth by offering value to our customers through our superior product portfolio
- ▲ Create long term mutually beneficial business associations
- ▲ Strive to carve a niche with a diversified portfolio of specialty products and reliable solutions that match the present and future needs of our customers. It will enable us to achieve greater cost efficiencies, develop stronger stakeholder relationships and build competitive advantage.

Manufacturing facilities

	Mahad-Raigad, Maharashtra	Lote-Ratnagiri, Maharashtra
Product portfolio	IBB, NBB	ATBS, NaATBS, TBA, IB, HPMTBE, DAAM
Technological edge	InstitutFrancais du Petrole (IFP) France	National Chemical Laboratories (NCL), Pune (for ATBS), SaipemSpa, Italy (for IB)
Certifications	ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007	ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007

Ongoing/Upcoming capital expenditure

- ▲ Couple of customized niche products
- ▲ Capacity expansion of IB
- ▲ New plant for producing Para Tertiary Butyl Toluene / Para Tertiary Butyl Benzoic Acid (PTBT/PTBBA)
- ▲ New plant for producing Tertiary Butyl Amine (TB Amine)
- ▲ Setting up of 8MW co-generation plant at the company's Lote facility

Speciality Monomers

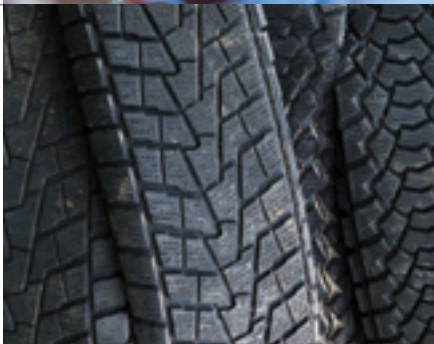
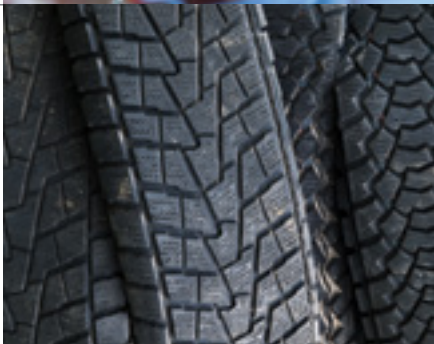
Product	Applications
2-acrylamido 2-methylpropane sulfonic acid (ATBS)	- Water treatment chemicals - Emulsions for paint and paper coatings - Adhesives - Textiles auxiliaries and acrylic fibre - Detergents and cleaners - Oil field and mining chemicals - Construction chemicals
Sodium salt of 2-acrylamido-2-methylpropane sulfonic acid (NaATBS)	- Water treatment chemicals - Emulsions for paint and paper coatings - Adhesives - Textiles auxiliaries and acrylic fibre - Detergents and cleaners - Oil field and mining chemicals - Construction chemicals
N-Tertiary Butyl Acrylamide (TBA)	- Thickener in personal care - Water treatment - Metal working fluid
N-Tertiary Octyl Acrylamide (TOA)	- Adhesives - Personal care
Diacetone Acrylamide (DAAM)	- Coatings - Personal care - Epoxy resin - Gelatin substitute - Light sensitive resin additive



Specialty Aromatics

Product	Applications
Iso Butyl Benzene (IBB)	- Pharmaceutical industry - Perfume industry - Speciality solvent
Normal Butylbenzene (NBB)	- Speciality solvent - LCD based applications - Cooling media (thermic acid)
C 10 Aromatic Solvent	- Paints and coatings - Inks - Cleaning solvents - Environmental friendly agrochemical and pesticides formulations



Other Products		
Product	Applications	
Isobutylene (IB)	- Antioxidants - Fragrances and perfumes - Insecticides and pesticides - Personal care - Monomers	
Methanol	- Pharmaceutical industry - Paint and varnish industry - Perfume industry - Manufacture of formaldehyde - Chemical synthesis (sodium methoxide, dimethyl ether and methyated derivatives)	
High Purity- Methyl Tertiary Butyl Ether (HP-MTBE)	- Specialty solvent in some organic synthesis - Extract solvent for pharmaceutical synthesis - Synthesis of grignard's reagent	
Mixed Hexenes	- Low boiling point solvent - Used as thinners - Hydrocarbon resins - Solvent extractions - Tyre re-treading - Octane booster for gasoline - Manufacturing C-5 / C-6 aliphatic petroleum resins	

Miscellaneous Polymers		
Product	Applications	
Vinflow(HT)	- Construction - Ceramics - Oil drilling - Mining - Leather - Paper	
Vinplast 245	- Construction - Ceramics - Oil drilling - Mining - Leather - Paper	

OUR OFFERINGS



MESSAGE FROM MANAGING DIRECTOR & CEO

DEAR SHAREHOLDERS,

My heartiest greetings to you all on behalf of Vinati Organics and its employees. I am very pleased to share with you that despite the ongoing global macroeconomic challenges, we have performed well during the fiscal year 2015-16. We want to become more agile and future-ready and continue to delight our consumers with innovative, superior quality products at affordable prices. We believe that our efforts will help us create great value overall for all our stakeholders.

Looking at the macroeconomic scenario, the world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices, particularly crude oil and increasing financial market volatility in major economies. Advanced economies are mostly making a modest recovery, while many emerging market and developing economies are under strain from the rebalancing of the Chinese economy, lower commodity prices and capital outflows.

However, India continued to remain a bright spot in the otherwise bleak global economic scenario. India's growth was driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the pickup in industrial activity, a recovery of private investment is expected to further strengthen growth of the country.

The Chemical Industry is faced with uncertain oil prices, a slowing down of economic growth in China, Europe and Japan and also a geopolitically uncertain future in some parts of the world. The chemical industry in India is a key constituent of Indian economy and accounts for approximately 3% of the global chemical industry. In terms of volume of production, Indian chemical industry is the third largest producer in Asia and sixth largest in the world. With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide.

Chemical companies are increasingly working towards reducing energy intensity of their operations, minimizing effluent discharge and pollution, increasing the share of recyclable products in their portfolio and diversifying their raw material base to include bio-feedstock.

With current initiatives of industry & Government, the Indian chemical industry could grow at 11% p.a. to reach size of \$224 billion by 2017. However, the industry could aspire to grow much more and its growth potential is limited only by its aspirations. In an optimistic scenario, high end-use demand based on increasing per capita consumption, improved export competitiveness and resultant growth impact for each sub-sector of the chemical industry could lead to an overall growth rate greater than 15% p.a. and a size of \$ 290 billion by 2017. (Source: CII).

Going forward we look for expanding our business with sustained emphasis on adding new products through

process innovation together with upgraded technologies so that we are able to mitigate risks and create value to our shareholders. Accordingly, we have planned for ₹ 200 crore of capital expenditure spread across FY16 & FY17 towards introduction of new products, capacity expansion and setting up of a co-gen plant.. Wider product basket has also helped us to enter long-term tripartite agreements with USA and Japan based chemical companies for supplying customised products. These initiatives alongwith growth in existing products is expected to contribute incremental sales in excess of ₹ 100 crore in FY17.

Green technologies, innovative process, investment in R&D and better operational efficiencies are the key components for sustainable growth at Vinati Organics. In-house research team and modern technology gives us competitive advantages for both backward and forward integration. This helps in maintaining high level of quality at cost-efficiencies with better margins.

Friends, as we celebrate a successful 2015-16, we remain aware that we still have along way to go and we therefore remain committed to our journey of being one of the most preferred chemical companies in the world. Last but not the least, I take this opportunity to express my sincere gratitude to our Board of Directors, our Management, our dedicated employees and our esteemed customers, suppliers, bankers and investors, for their unrelenting dedication, support and commitment towards the Company.

With warm regards,

Yours Sincerely,

Vinod Saraf
Managing Director & CEO

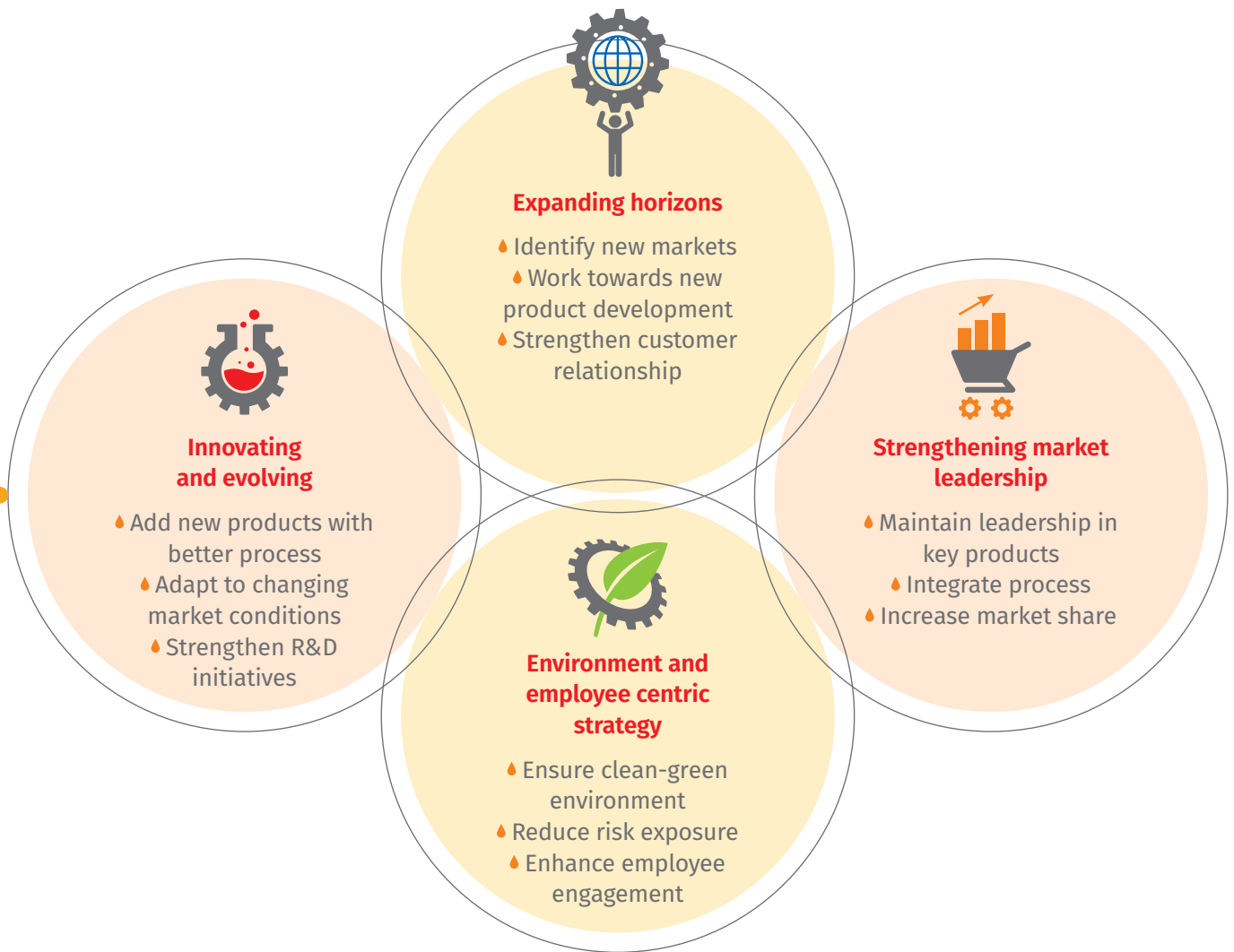
SUSTAINABLE VALUE CREATION FRAMEWORK

**Sustainable
Value**

At Vinati, sustainable value creation is about formulating a blue print strategy for the present and the future. Everyday, we work towards innovating for new products, pursue excellence, and strive to achieve sustainability for creating a balanced organisation. We have created an integrated corporate strategy framework to enable us achieve sustainable and profitable growth - today and tomorrow!

SUSTAINABILITY IN NUMBERS

Revenue
31%
10-year CAGR



EBIDTA

47%

10-year CAGR

PAT

60%

10-year CAGR

Market
Capitalisation

67%

10-year CAGR

Sustainable value creation with

ENVIRONMENT AND EMPLOYEE CENTRIC STRATEGY

Environmental responsibility and employee empowerment form an integral part of Vinati's corporate strategy. We are aggressively moving towards conserving vital resources in addition to reducing our impact on the environment through a sustainable manufacturing process.

Today, Vinati has gradually transformed to be known as green manufacturer with zero waste discharge. It is a result of our conscious commitment, investment in greener technologies, and better operational efficiencies. Both our plants have global and national certifications, validating our efforts towards building cleaner operational processes. With zero toxic discharge, right recycle management and regulatory clearances, we work towards building an organisation capable of delivering to customers right products and in the process safeguard the external environment we operate in.

We have also streamlined our operations in the process to reduce our carbon footprint and emissions, and invested to improve the infrastructure for achieving these goals. It has helped us reduce our risk exposure, and receive appreciation from our customers.

One of the cornerstones of our excellence in internal operations has been our intellectual team that is experienced and focused on executing processes to achieve the Company's targeted growth and profitability levels.

Regular training, high safety measures and an empowering and engaging work culture has helped us grow our organisational strength to more than 600 members today.



Both Our manufacturing plants are certified with ISO 140001:2004 and OHSAS 18001:2007 for robust environmental management and enhanced safety work conditions respectively.



We are the only Indian manufacturer of ATBS; the largest producer of IB in India; the largest producer of IBB & ATBS in the world; and retain market leadership in all the 4 key products of our product profile.



Sustainable value creation with

STRENGTHENING MARKET LEADERSHIP

With our competitive technical expertise and long-term cordial relationships with multinational chemical companies, we have become the market leaders in some of our core products in the industry space we operate.

We started our ATBS production with a small capacity of 1000 TPA, gradually expanding to reach 26000 TPA today. With sustained increasing demand of ATBS globally, we increased our capacities to expand our reach in more than 25 countries, and emerge as the industry leader.

We also command more than 65% market share in the world for IBB. With consistent investments in technology and capacities, we are the largest producer of IBB in the world with a capacity of 16,000 TPA.

While we continue to drive our market leadership position, our integrated business model continues to help us sustain our margins and drive profitability. Our product portfolio is designed to drive cost competitiveness, with some key products acting as raw material for others. Our continued captive research on productivity and efficiency, and new integration of products (as by-products, co-products or their further processed products) make us the most cost-effective producer on the global stage.

Sustainable value creation by

INNOVATING AND EVOLVING

Creating value proposition in a world that is constantly changing, is a challenge in itself. At Vinati, we have evolved with innovative new process, upgraded technologies, and stayed relevant to our business.

We developed a strong R&D base and leveraged our industry experience to launch new products. Our focus on an innovative framework is designed to help us broaden our product base, drive revenue growth and create a balanced product basket.

We are encouraged by the opportunities opening up in our industry space, and invest regularly into research and development. In the last five years we have launched 6 new products, which has contributed significantly to our revenues and margin growth. During the year under review, our revenues from the new products stood at 19%, which is expected to rise in the coming months.

Our new product development is a combination of conscious efforts towards identifying new products that drive revenue and also identifying the synergies that are available with our existing set of products. With a wider product basket, we have entered long-term supply agreements with few multinationals for customised products, which will ensure sustainable incremental revenue generation in coming years.



Our manufacturing processes are designed to give us competitive advantages for both backward and forward integration. This gives us high level of quality assurance as well cost-efficiencies with better margins.



The proposed capacity expansion and introduction of new products is backed by a capital investment of ₹200 crore funded entirely through internal accruals.



Sustainable value creation with

EXPANDING HORIZONS

We look at business sustainability as a long-term mantra, widening our business to mitigate possible risks and create long-term stakeholder value. Our continuous knowledge accretion and dynamism play an integral role in driving our organisation ahead.

We began our journey as a small player, faced with global competition in the niche industry space we operated. We mitigated all the possible challenges, expanded our product line, widened our geographic reach, and achieved global and local market leadership.

From 5 countries in early 2000's, today we have a presence in more than 25 countries. More than 65% of our revenue is derived from the US, Europe, Asia, the Middle East and China. Even in the domestic market, we continue to dominate in some of the key products, and have sustainable relationships

with leading business houses that consume our products.

Our new product development and expected launches are also aligned and generate synergies for higher operational efficiencies (securing raw material supply) and greater profitability (higher bottomline). With proposed capital expenditure aimed at adding new products, expanding existing capacity along with setting up of 8MW cogeneration plant, we believe we are ensuring our sustained growth.

MAKING A DIFFERENCE

At Vinati Organics, we take responsibility for developing and implementing sustainable business practices that align to our operational business practices as well as adhere to social and environmental goals.

Our sustainability goals address issues that we have identified as most material for our business model. Over the years, we have been actively supporting communities within our vicinity through various programmes. These initiatives are independent of the normal conduct of VOL's business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are clearly defined in a well-defined CSR Policy.

With focus on four defined sustainable practices - Environment, Labor practices, Fair Business practices and Sustainable procurement, we endeavour to contribute and make a positive difference across the above platforms.

Our efforts towards social responsibility have been recently recognised and appreciated by EcoVadis's recent CSR evaluation program, where we were awarded a 'Gold Rating' and were among the top 5% performers based on defined parameters for corporate social responsibility.



CORPORATE INFORMATION

Board of Directors

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

Company Secretary Cum Finance Controller and Compliance officer

Mr. Gunvant S. Singhi

Bankers

State Bank of India
IFC, Washington
Citibank N.A.

Auditors

M/s. Karnavat & Co.
Chartered Accountants

Registered Office & Mahad Works

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

Lote Works

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

Registrar & Transfer Agents

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

Corporate Office

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

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report on the business and operations of your Company together with Audited Financial Statements for the year ended 31st March 2016.

1) FINANCIAL RESULTS

The summarized position of these results is given below:

		2015-2016	(₹ in Lacs) 2014-2015
Net sales down by 18%	Net Sales/Income from Operations	63094.80	77172.56
	Other Income	615.80	914.47
	Total Income	63710.60	78087.03
	Profit before Finance cost, Depreciation & Taxes	21293.44	20091.05
	Finance cost	785.94	975.51
	Profit before Depreciation & Taxes	20507.50	19115.54
EBITDA up by 6%	Depreciation & Amortisation Expense	1851.79	1765.86
	Profit before Taxation	18655.71	17349.68
	Provision for Taxation - Current	5298.14	5144.95
	Deferred	710.89	611.19
	Provision for earlier year W/back/Provided	(510.50)	14.14
PAT up by 14%	Net Profit	13157.18	11579.40
	Balance brought forward	34708.47	26547.52
	Less: Adjustment on account of depreciation	-	(55.17)
	Balance available for appropriations	47865.65	38071.75
	Appropriations		
	Interim dividend on equity shares for the year	1805.68	-
	Proposed dividend on equity shares for the year	257.96	1805.68
	Dividend distribution tax	420.11	367.60
	Transfer to General Reserve	1350.00	1190.00
	Surplus carried to Balance sheet	44031.90	34708.47

2) REVIEW OF OPERATIONS

The net sales/Income from operations during the year have gone down to ₹63710.60 Lacs from ₹78087.03 Lacs.

It is mainly due to all round reduction in prices of all organic chemicals because of steep fall in global price of crude oil.

The Company's profit before tax has gone up from ₹17349.68 Lacs in previous year to ₹18655.71 Lacs in current year registering growth of 6%.

3) DIVIDEND

An Interim Dividend of ₹3.50/- per equity share of face value of ₹2/- each was declared on March 14, 2016 and paid on March 18, 2016.

The Board of Directors recommended further dividend on equity shares @ 25% on the share capital of the

Company i.e. ₹0.50 per Equity Share of face value of ₹2/- each for the year ended 31st March 2016,

The total outgo on dividend account will be ₹2483.75 Lacs (inclusive of tax on dividend).

4) TRANSFER TO RESERVES

Your Company proposes to transfer ₹1350 Lacs to the General Reserve, out of the amount available for appropriation and an amount of ₹44031.90 Lacs is proposed to be retained in the Profit & Loss Account.

5) SUBSIDIARY COMPANY

The Company does not have subsidiary company.

6) PROSPECTS

To further its growth plans the company is undertaking capital expenditure of ₹200 Crores towards the below mentioned projects:

- New plant for producing para Tertiary Butyl Toluene / para Tertiary Butyl Benzoic Acid (PTBT/PTBBA); These products are IB based derivatives and find application in perfumery, personal care and as polymer additives.
- New plant for producing Tertiary Butyl Amine (TB Amine) which is used in the rubber and pharmaceutical industry.
- Couple of export oriented custom synthesis products.
- Setting up of 8 MW Co-generation plant at the company's Lote facility.

7) TURNOVER AND PROFIT (OPERATING RESULTS)

The Company achieved gross turnover of ₹61632.62 Lacs as compared to ₹81558.24 Lacs in the previous year. The net profit after tax increased to ₹13157.18 Lacs as compared to ₹11579.40 Lacs in the previous year.

8) INSURANCE

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

9) DIRECTORS

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

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

Out of remaining 5 directors 3 are executive directors. Therefore Mr. Mohit Mutreja and Mr. Sunil Saraf retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

10) AUDITORS

Members are requested to appoint Auditors for the current year and to authorize the Board of Directors to fix their remuneration. At previous meeting, M/s. Karnavat & Co., Chartered Accountants, were appointed as Statutory Auditors of your Company from the conclusion of the previous Annual General Meeting. The said statutory auditors retire at the ensuing Annual General Meeting and being eligible under section 139 of the Companies Act, 2013, offer themselves for re-appointment.

11) AUDITORS' REPORT

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

12) COST AUDITOR

As per Section 139 of the Companies Act, 2013, M/s. N. Ritesh & Associates have been appointed as a Cost Auditor for the year ending on 31.03.2017, subject to the approval of Central Government, if required.

The Audit Committee has received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with your Company. In accordance with Cost Audit (Report) Rules, 2001, the due date for filing the Cost Audit Report in XBRL for the financial year ended 31.03.2015 was 28.02.2016 and the same was filed on 29.09.2015 vide SRN No.: S39646849 with the Ministry of Corporate Affairs, New Delhi.

13) 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 the directors' report. The Remuneration policy is set out in the Annexure 'A' to the Director's Report and is also available on the Company's website.

14) FINANCE

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

15) FIXED DEPOSITS

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

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

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

17) HUMAN RESOURCE

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

Company has created a structured training framework for its employees to ensure their ongoing education.

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

18) 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.

19) LISTING

The Company's equity shares continue to be listed at BSE & NSE. We confirm that the Listing fee for the financial year 2015-2016 has been paid to them. The stock code of the company at BSE is 524200 and NSE is VINATIORGA.

20) DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- 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 2015-16.

21) DECLARATION BY INDEPENDENT DIRECTORS

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

22) MATERIAL CHANGES AFTER BALANCE SHEET DATE (31ST MARCH, 2016)

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY16) of the Company to which the Financial Statements relate and the date of this Board's Report.

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

The Corporate Governance and Management's Discussion and Analysis Reports, which form an integral part of this report, are set out in separate annexures to this report, along with the certificate from the Auditors of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. **(See Annexure 'C' 'D' & 'E')**

24) EMPLOYEES

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

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

1. Mr. Vinod Saraf – Managing Director – 6973550 shares - 13.52%
2. Mrs. Kavita Vinod Saraf – Spouse – 6228000 shares - 12.07%

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

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

26) DELAY IN COMPLETION OF BUY- BACK

The Company has not proposed to buy- back any shares.

27) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company as on 31st March, 2016 comprised the following 3 Directors of the Company:

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

28) ESOP/ ESOS

The Company has not issued any ESOP or ESOS.

29) SWEAT EQUITY

The Company has not issued any sweat equity.

30) PREFERENTIAL ALLOTMENT

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

31) REDEMPTION OF SHARES/ DEBENTURES

The Company has not redeemed any Shares or Debentures.

32) SHAREHOLDER'S RESOLUTION

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

33) DISQUALIFICATION OF DIRECTOR

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

34) INSIDER TRADING PROCEEDINGS/ ENQUIRY

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

35) CORPORATE SOCIAL RESPONSIBILITY

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

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

The average profit of the Company for last three year is ₹13489.85 Lacs. Prescribed CSR expenditure is ₹269.80

Lacs Details of CSR spent during the financial year 2015-16 is as per **Annexure 'G'** enclosed. Amount unspent during the year is ₹4.03 Lacs.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company is set out in **Annexure 'H'** of this report and is also available on the website of the Company.

36) MGT - 9

Extract of Annual Return for financial year ended 31.03.2016 (Pursuant to section 92(3) of the Companies Act, 2013 read with the companies (Management and Administration) Rules, 2014 Form No. MGT-9 is enclosed (**Annexure 'I'**).

37) SECRETARIAL AUDIT REPORT

To comply with the provisions of Section 204 of the Companies Act, 2013 we enclose herewith secretarial audit report received from M/s. VKM & Associates, Practicing Company Secretary for the year ended 31st March 2016 (**Annexure 'J'**).

38) 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 is set out in **Annexure 'K'** of the Directors Report and is also available on Company's website.

39) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company had not given any loans and guarantees. The Company had made investments in mutual fund units amounting to ₹273.86 Lacs as given below:

	(₹ in Lacs)
In mutual fund units	
804527.011 Units (31st March, 2015 – 804527.011) Mutual Fund Units of L&T Triple Ace Bond Fund-Bonus	98.86
1690674.241 Units (31st March, 2015 – 1690674.241) Mutual Fund Units of Sundaram select Debt ST Asset Plan Bonus	175.00
Total	273.86

40) DEPOSITS FROM PUBLIC

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

41) 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.	Executive directors	Ratio to median remuneration
1.	Mr. Vinod Banwarilal Saraf, Managing Director & CEO	29.64
2.	Mrs. Vinati Saraf Mutreja, Executive Director	20.75
3.	Mrs. Viral Saraf Mittal, Director – Corporate Strategy	11.86

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, Managing Director & CEO	10%
2.	Mrs. Vinati Saraf Mutreja, Executive Director	10%
3.	Mrs. Viral Saraf Mittal, Director – Corporate Strategy	10%

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, 2016	March 31, 2015	% change
Market capitalization (Rs. In Lacs)	200121.59	271239.81	-26%
Price earnings ratio	15.21	23.01	-34%

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, 2016 (₹)	November 11, 1991 (IPO)*	% change
Market Price (BSE)	387.90	1.33	28993
Market Price (NSE)	389.05	1.33	29079

Sr. No.	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
4.	Mr. Jayesh Ashar, Chief Operating Officer	18.00%
5.	Mr. N. K. Goyal, Chief Financial Officer	15.29%
6.	Mr. G. S. Singhi, Company Secretary cum Finance Controller	13.87%

c. The percentage increase in the median remuneration of employees in the financial year: 13%

d. The number of permanent employees on the roll of Company: 636

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:

	(₹ in Lacs)
Aggregate remuneration of key managerial personnel (KMP) in FY16	362.40
Revenue	63094.80
Remuneration of (KMP) as a percentage of revenue	0.57
Profit before tax (PBT)	18656.71
Remuneration of (KMP) as % of PBT	1.94

* Adjusted for 1:2 bonus issue in 2007 and split of Face Value of shares from ₹10/- to ₹2/- face value in 2009.

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

Increase in managerial remuneration was 10% only

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

Name	Total Remuneration ₹	% of revenue ₹ 63094.80	(₹ in Lacs) % of net profit before tax ₹ 18616.71
Mr. Vinod Banwarilal Saraf, Managing Director & CEO	104.60	0.17	0.56
Mrs. Vinati Saraf Mutreja, Executive Director	79.51	0.13	0.43
Mrs. Viral Saraf Mittal, Director – Corporate Strategy	44.72	0.07	0.24
Mr. Jayesh Ashar, Chief Operating Officer	59.32	0.09	0.32
Mr. N. K. Goyal, Chief Financial Officer	49.32	0.08	0.26
Mr. G. S. Singhi, Company Secretary cum Finance Controller	24.93	0.04	0.13

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

No variable component is paid.

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

None.

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

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

- n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. 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.

42) DISCLOSURE REQUIREMENTS

The corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Appointment letters of the Independent Directors are available on the website of the company.

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the Listing Agreements with stock exchanges (URL: www.vinatiorganics.com).

43) TRANSACTION WITH RELATED PARTIES

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

44) 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 the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

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

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

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

45) INDEPENDENT DIRECTORS' MEETING

The Independent Directors of the Company met on 21st May, 2015 & 7th March, 2016, 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 'M')

46) NUMBER OF MEETINGS OF THE BOARD

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

47) 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, which forms part of this report.

48) AUDIT COMMITTEE

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

49) CORPORATE POLICIES AND PROCEDURES ON INTERNAL FINANCIAL CONTROLS:

The Corporate Policies and Procedures on Internal Financial Controls policy is set out in Annexure 'N' of the Directors Report and is also available on Company's website.

50) BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report is set out in Annexure 'O' of the Directors Report and is also available on Company's website.

51) APPRECIATION & ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Mumbai
14th May 2016

Girish M. Dave
Non-Executive Chairman

REMUNERATION POLICY

Introduction:

The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

Applicable:

This Remuneration Policy applies to directors, senior management including its Key

Managerial Personnel (KMP) and other employees of the Company.

Guiding principle:

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Directors:

As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs.25000/- per Board meeting and per Committee meeting.

Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors, the Nomination & Remuneration Committee (NRC) considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure

a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

Reward principles and objectives:

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward policies:

Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly.

The Whole Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act.

Key Managerial Personnel [KMP] Senior Management:

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing

Director (MD) on the recommendation of the Whole Time Director concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:

- 1. A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
- 2. Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
- 3. Retirement benefits** - contribution to PF, superannuation, gratuity, etc. as governed by respective acts and rules prevailing in the Company from time to time.
- 4. Motivation /Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by MD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
- 5. Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

Other employees:

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policies of motivation / reward / severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of information:

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy:

This Remuneration Policy shall continue to guide all future employment of Directors, Senior Management including Key Managerial Personnel and other employees.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

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.

Total energy consumption as per prescribed 'Form A' together with the comparative figures for the last year is mentioned hereunder:

Power & Fuel Consumption		2015-16	2014-15
1)	Electricity		
a)	Purchased (MSEB)		
	Unit (KWH in Lacs)	288.71	314.48
	Total Amount (₹ in Lacs)	1976.19	2298.94
	Cost per unit (in ₹)	6.84	7.31
	Unit Consumed / Kg. Of IBB	0.33	0.30
	Unit Consumed / Kg. of ATBS	1.49	1.33
	Unit Consumed / Kg. of IB	0.24	0.16
b)	Own Generation		
	(i) Through Diesel Generator		
	Units (Litres)	32804	116763
	Total Cost - Diesel cost (₹ in Lacs)	8.52	24.26
	Cost per unit (in Rs.)	25.96	20.78
2)	Coal		
	Units (Kg.)	19978163	21368683
	Total Cost (₹ in Lacs)	1064.70	1262.28
	Average Cost (₹ / Kg)	5.33	5.91
3)	Furnace Oil		
	Units (KL)	305825	435046
	Amount (₹ in Lacs)	121.15	220.70
	Average Cost (₹/KL)	39.62	50.73

b) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

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

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

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

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 and has spent Rs. 50 Lacs on R&D during the year.

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

(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 environment friendly with a view to meeting customer needs.

d) FOREIGN CURRENCY EARNINGS AND OUTGO

The details of Foreign Exchange Earnings & Expenditure in Foreign Currency is given in Note Nos. 40 and 38 of Notes to Accounts in Annual Report.

ANNEXURE C

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(a) Composition

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

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions occupied by them in other companies.

The Company's Board at present has 9 Directors comprising one Non-Executive Chairman, one Managing Director, one Executive Director, one Director – Corporate Strategy and five Non-Executive Directors.

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

Mr. Mohit Mutreja and Mr. Sunil Saraf, Directors' retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

The Board met five times on the following dates during the financial year 2015-2016 and the gap between two meetings did not exceed four months:

Date of the Meeting	Total Strength	No. of Directors present
16th May 2015	9	8
1st August 2015	9	6
31st October 2015	9	6
30th January 2016	9	8
14th March 2016	9	7

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, 2016 are given below:

Name	Category	No. of Board Meetings Attended during 2015-16	Whether attended AGM held on 8th August 2015	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
					Chairman	Member
Mr. Vinod Saraf (Managing Director)	Promoter, Non-Independent Executive	5	Yes	1	-	-
Mr. Girish M. Dave (Chairman – Non-Executive)	Independent Non-Executive	4	No	5	1	3
Mr. R. K. Saraswat (Director)	Independent Non-Executive	5	Yes	3	2	1
Mr. C.B. Gokhale (Director)	Independent Non-Executive	3	No	-	-	-
Mr. A.A. Krishnan (Director)	Independent Non-Executive	2	No	1	-	-
Mr. Sunil Saraf Director	Promoter, Non-Independent Non-Executive	4	No	1	-	-
Ms. Vinati Saraf Mutreja Executive Director	Promoter, Non-Independent Executive	3	No	1	-	-
Ms. Viral Saraf Mittal Director-Corporate Strategy	Promoter, Non-Independent Executive	5	No	1	-	-
Mr. Mohit Mutreja Director	Promoter, Non-Independent Non-Executive	4	No	-	-	-

(c) Code of Conduct:

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

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

Sr. No.	Name of Directors – Non-executive	₹ in Lacs
1.	Mr. Girish M. Dave	2.50
2.	Mr. R. K. Saraswat	3.00

Sr. No.	Name of Directors – Non-executive	₹ in Lacs
3.	Mr. C. B. Gokhale	1.25
4.	Mr. A. A. Krishnan	1.00
5.	Mr. Sunil Saraf	1.00
6.	Mr. Mohit Mutreja	1.00

(e) Shareholdings of Directors as on 31.03.2016 are as under:

Sr. No.	Name of Directors	No. Equity Shares
1.	Mr. Vinod Banwarilal Saraf	69,73,550
2.	Ms. Vinati Saraf Mutreja	6,07,335
3.	Ms. Viral Saraf Mittal	5,22,927

3. AUDIT COMMITTEE

(a) Constitution

The Audit Committee, which was constituted on 31st January 2001 pursuant to the provisions contained in section 292A of the Companies Act, 1956 was reconstituted as per Clause 49 of Listing Agreement for Corporate Governance on 24th January 2002 and was reconstituted on 20th May 2006 and 18th June 2009 and once again it was reconstituted on 24th January 2011. The terms of reference of the Audit Committee as stipulated by the Board are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Composition

The Audit Committee of the Company as on 31st March, 2016 comprised the following 3 Directors of the Company:

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

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

(c) Meetings & Attendances

The Audit Committee met four times on the following dates during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
16th May 2015	3	3
1st August 2015	3	2
31st October 2015	3	2
30th January 2016	3	2

The necessary quorum was present at the meetings.

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

(d) Terms of reference

The Statutory Auditors, Internal Auditors of the Company and the Cost Auditors are invited to join the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the 'Limited Review' of the half-yearly accounts, quarterly accounts, the yearly Audit Plan, matters relating to compliance of

Accounting Standards, their observations arising from the annual audit of the Company's accounts and other related matters. The Committee discusses with the Cost Auditor about his observations in the Annual Cost Audit Reports and allied matters.

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

4. SUBSIDIARY COMPANIES

The Company does not have any subsidiary companies.

5. SHARE TRANSFER COMMITTEE

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

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

Mr. G. S. Singhi being the Company Secretary cum Finance Controller of the Company acts as the Secretary to the Committee. The Committee met 12 times during the year 2015-2016 for approving transfers, transmissions etc. All transfers & transmissions etc. were approved and share certificates were dispatched within 21 days and requests for dematerialization were confirmed within 21 days.

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

(a) Terms of Reference

The Company has an independent Shareholders' Grievance Committee, which was constituted on 24th January 2002 and reconstituted on 20th May 2006 and 12th March 2010 and again it was reconstituted on 24th January 2011 to look into redressal of investor's complaints and requests like delay in transfer of shares, non-receipt of dividend, annual report, etc.

(b) Composition

The Shareholders'/Investors' Grievance Committee of the Company comprises of the following 3 Directors of the Company:

1. Mr. A. A. Krishnan	Chairman - Independent Non-Executive Director
2. Mr. Vinod Saraf	Member - Managing Director
3. Ms. Vinati Saraf Mutreja	Member - Executive Director

(c) Meetings & Attendances

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

Date of the Meeting	Total Strength	No. of Directors present
31st March 2016	3	2

A total number of 34 complaints were received and all of which were, redressed by the Company during the year 2015 - 2016.

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

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

The Remuneration Committee was constituted on 28th July 2010 as per Clause 49 of Listing Agreement for Corporate Governance and again it was reconstituted on 27.10.2012 which was renamed Nomination & Remuneration Committee on 3rd May 2014.

(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 2016

Managerial remuneration

Name	Salary & Allowances	Contribution to PF	(₹ in Lacs) Other Perquisites
Mr. Vinod Saraf Managing director	94.53	8.71	1.36
Ms. Vinati Saraf Mutreja Executive Director	70.45	6.10	2.96
Ms. Viral Saraf Mittal Director – Corporate Strategy	39.87	3.44	1.41
Total:	204.85	18.25	5.73

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

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

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

(b) Composition

The Risk Management Committee was comprised the following 4 Directors of the Company:

1. Mr. Vinod Saraf, Managing Director
2. Mr. Girish M. Dave, Chairman – Non-Executive
3. Ms. Vinati Saraf Mutreja, Executive Director
4. Ms. Viral Saraf Mittal, Director – Corporate Strategy

(b) Composition

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

1. Mr. Girish M. Dave	Independent Director – Chairman
2. Mr. A. A. Krishnan	Independent Director - Member
3. Mr. Sunil Saraf	Non-Independent Director - Member

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

(c) Meetings & Attendances

The Nomination & Remuneration Committee met on the following date during the last financial year.

Date of the Meeting	Total Strength	No. of Directors present
31st July 2015	3	2

5. Mr. N. K. Goyal, Chief Financial Officer

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

(c) Power of Risk Management Committee:

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

9. FINANCE COMMITTEE**(a) Constitution**

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

(b) Composition

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

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

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

(c) Power of Finance Committee:

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

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

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

(b) Composition

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

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

All the members of Corporate Social Responsibility Committee mentioned above have good knowledge and exposure to 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
25th February 2016	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 was constituted on 25th January 2014 as per Clause 49 of Listing Agreement for Corporate Governance. This committee comprised of the following 2 Directors of the Company:

(b) Composition

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

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

(c) 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:

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

Date of the Meeting	Total Strength	No. of Directors present
21st May, 2015	4	2
7th March, 2016	4	3

13. GENERAL BODY MEETING

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

Year	Location	Date	Day	Time	No. of Special business passed
24th AGM 2013	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad - 402 309, Dist. Raigad, Maharashtra.	03/08/2013	Saturday	12 Noon	3
25th AGM 2014	- do -	09/08/2014	Saturday	12 Noon	4
26th AGM 2015	- do -	08/08/2015	Saturday	12 Noon	1

None of the special resolutions were put through postal ballot.

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

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management or relatives, which may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in note No.19 of Notes to Accounts in Annual report.

(b) Statutory Compliance, Penalties and strictures

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

(c) Compliance with mandatory

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

(d) No personnel have been denied access to Audit Committee. The Board periodically reviews risk assessment and 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)** Shareholders' Grievance Committee (As mentioned under the head of Shareholders' Grievance Committee)**(l)** Role of committee (Role of different committees have been elaborated under their respective headings)**(m)** Voluntary guidelines 2009 - The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and Corporate Social Responsibility' in December, 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of Corporate Governance. Most of the provisions of these guidelines are in place.**(n)** Finance committee (As mentioned under different heading)**(o)** ESOS Compensation Committee (The Company does not have the said committee)**15. MEANS OF COMMUNICATION**

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

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

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

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

17. COMPLIANCE OFFICER

Mr. Gunvant S. Singhi, Company Secretary Cum Finance Controller is the Compliance Officer

18. GENERAL SHAREHOLDER INFORMATION

(a) Annual General meeting Date, Time & Venue	6th August, 2016 at 12 Noon at Regd. Office, at B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.
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(b) Financial Calendar

Annual General Meeting	6th August, 2016
Unaudited results for the quarter ending Jun'16	4th week of Jul'16
Unaudited results for the quarter/half year ending Sept' 30, 16	4th week of Oct'16
Unaudited results for the quarter ending Dec' 31, 16	4th week of Jan'17
Audited results for the quarter ending Mar' 31, 17	2nd week of May'17
Date of book Closure	27th July, 2016 to 6th August, 2016
Dividend payment date	10th August, 2016

(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,

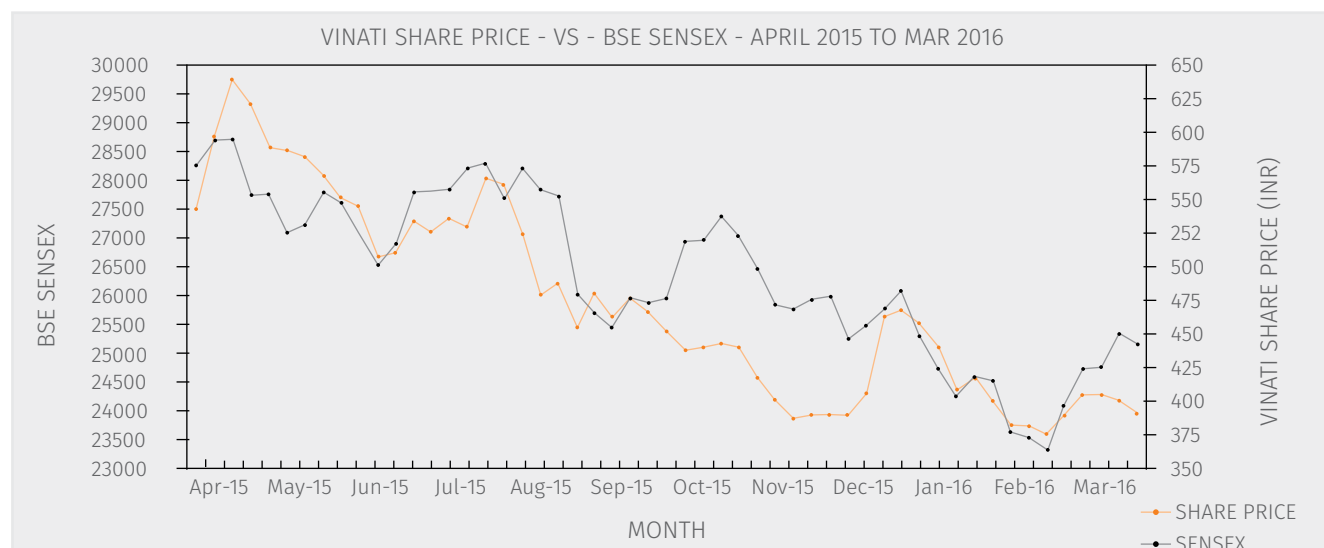
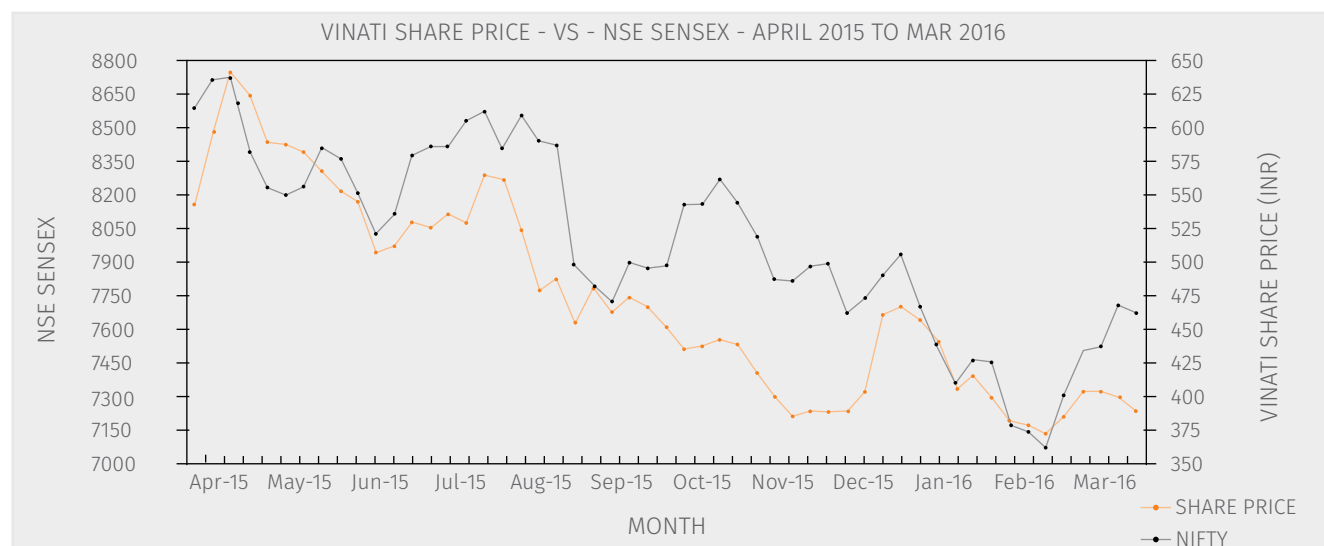
Bandra-Kurla Complex,

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

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

(e) Market Price Data:

Month & Year	Bombay Stock Exchange Ltd. (in Rs.)		National Stock Exchange of India Ltd. (in Rs.)	
	High	Low	High	Low
Apr – 2015	668	523	665	523
May – 2015	611	420	664	498
Jun – 2015	581	475	580	475
Jul – 2015	582	516	584	515
Aug – 2015	561	429	565	425
Sep – 2015	495	433	495	440
Oct – 2015	455	423	457	423
Nov – 2015	439	370	435	370
Dec – 2015	477	376	476	375
Jan – 2016	472	390	472	390
Feb – 2016	415	361	412	361
Mar – 2016	420	380	422	376

(f) The performance of the Company's shares relating to the BSE Index for the year 2015-2016 is given below:**(g) The performance of the Company's shares relating to the NSE Index for the year 2015-2016 is given below:****(h) Share Registrars and Transfer Agents – Sharex Dynamic (India) Pvt. Ltd.**

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

Tel : 2851 5606 / 2851 5644 / 2851 6338

Fax : 2851 2885

E-mail : sharexindia@vsnl.com

Website : www.sharexindia.com

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

(i) Share Transfer System:

The Company has appointed Common Agency, name and address of which is given in the report for electronic connectivity and to process share transfer in physical form. The transfers are normally processed and share certificates are dispatched within 30 days from the date of receipt if the documents are complete in all respects. Requests for dematerialization are confirmed within 15 days.

(j) Distribution of Shareholding as on 31st March 2016.

Category No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1 To 100	11286	54.83	460863	0.89
101 To 200	1874	9.10	299919	0.58
201 To 500	2228	10.82	783544	1.52
501 To 1000	3923	19.06	2950497	5.72
1001 To 5000	1069	5.19	2292339	4.44
5001 To 10000	97	0.47	693775	1.34
10001 To 100000	94	0.46	2751482	5.33
100001 and above	14	0.07	41358606	80.17
Total	20585	100.00	51591025	100.00

(k) Category of shareholders as on 31st March 2016.

Category	No. of share holders	Voting strength (%)	No. of ordinary shares
Individuals	19574	18.50	9544425
Promoters	5	72.31	37303247
Other Companies	285	1.35	696087
Non-Resident Individuals	659	0.49	255053
Nationalized Banks, Mutual funds and trusts	9	6.52	3361764
FII	21	0.67	347900
Clearing Members	32	0.16	82549
Total	20585	100	51591025

(l) Dematerialization of shares and liquidity

49454770 (Total shares demated with NSDL is 33150380 & CDSL is 16304390) of the Company's share capital is dematerialized as on 31.03.2016. The Company's shares are regularly traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. as indicated in the Table containing market information.

(m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

NIL

(n) Address of Registered Office:

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

(o) Address of Plant Locations:**Mahad Works:**

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

Lote Works:

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

(p) Investor's Correspondence Address:

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

CEO / CFO CERTIFICATE

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31/03/2016 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
14th May, 2016

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

DECLARATION

I, Vinod Saraf, Managing Director of Vinati Organics Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2016.

I confirm that the Company has in respect of the said financial year, received from the senior management team and the members of the board of the Company a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, senior management team means the Chief Financial officer, Chief Operating Officer, Executive President, Sr. Vice President and the Company Secretary as on 31st March 2016.

On behalf of the Board of Directors

Mumbai
14th May, 2016

Vinod Saraf
Managing Director

ANNEXURE D

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
VINATI ORGANICS LIMITED

We have examined the compliance of conditions of Corporate Governance by VINATI ORGANICS LIMITED, for the year ended on 31st March, 2016, as stipulated in Regulations 17, 18, 20, 21, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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
KARNAVAT & CO.
Chartered Accountants
Firm Reg. No.: 104863W

192, Dr. D. N. Road
Mumbai - 400001
Dated: 14th May, 2016

Viral Joshi
Partner
Membership No. 137686

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Review

Global

IMF reported a 3.1% growth in World economy during 2015, down from 3.4% growth during the previous year. The decrease in growth was primarily due to slowdown in China and decrease in oil prices in the world. Weak export from China based on lower demand from European entities was the main reason for slow growth in China. Higher oil production in OPEC countries and in US resulted in over-supply in comparison to demand, which in turn pushed down the prices.

The IMF forecast global growth of 3.2% and 3.5% in 2016 and 2017 respectively. The growth in advanced economies is anticipated to remain modest at 2%. The recovery is hampered by weak demand, partly held down by unresolved crisis legacies, as well as unfavourable demographics and low productivity growth. The growth rate of US is expected to be flat at 2.4% in 2016, with the modest rise in 2017. The demand will be supported by improving Government finances and a stronger housing market that help offset the slowdown in net exports coming from a strong dollar and weaker manufacturing. IMF also warned about the anti-trade rhetoric in the US presidential elections which poses threat to the global economic outlook. In the Euro area, low investment, high unemployment, and weak balance sheets weigh on growth, which is expected to remain modest at 1.5% in 2016 and 1.6% in 2017. The growth rate of Japan is expected to remain at 0.5% in 2016 before turning slightly negative in 2017 as scheduled increase in consumption tax rate goes into effect.

The emerging and developing economies still accounts for the major chunk of the world's growth in 2016, however, prospects across countries remain uneven and generally weaker than over the past two decades. As per the estimates, the growth is expected to be 4.1% in 2016 and 4.5% in 2017. The forecast of emerging economies reflect:

- Slowing growth in oil exporters, with oil price decline, and still weak outlook for non-oil commodity exporters, including Latin America.
- The modest slowdown in China, where growth continues to shift away from manufacturing to services and consumption. Although, China escaped the downgrade reflecting strong growth in services sector off-setting

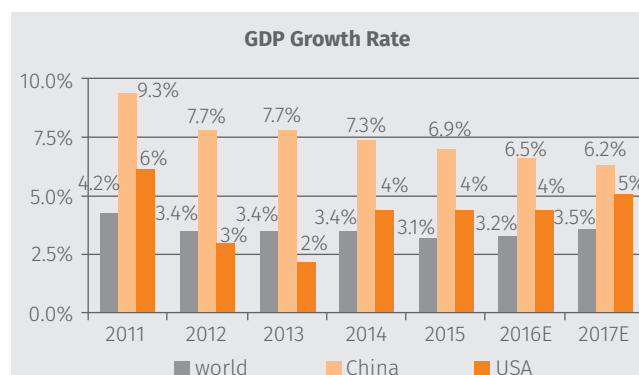
the weakness in manufacturing, there is still a concern about the quality of China's growth.

- Deep recessions in Brazil and Russia, and weak growth in some Latin America and Middle East countries, particularly those hit hard by the oil price decline and intensifying conflicts along with security risks.
- Diminished growth prospects in many African and low-income nations due to unfavourable global environment.

On the other hand, India remains the bright spot with strong growth and rising real incomes, in addition to the ASEAN 5 countries (Indonesia, Malaysia, Philippines, Thailand and Vietnam) which are performing well.

The risks to the outlook have become more pronounced in the current environment of weak growth. The main risk includes:

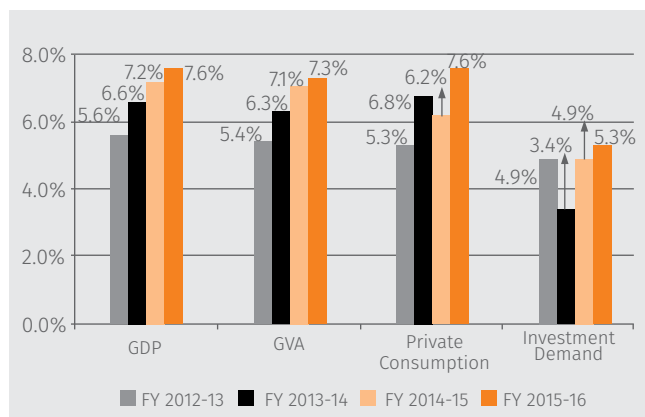
- Return of financial turmoil; for instance, an additional attack of exchange rate depreciations in emerging market economies outlook could further worsen corporate balance sheets, and a sharp decline in capital flows could force a rapid compression of domestic demand
- Protracted period of low oil prices which could further destabilise the outlook for oil exporting countries.
- Sharper slowdown in China than currently projected could have strong international spill overs through trade, commodity prices, and confidence, which is expected to lead to a more generalised slowdown in the global economy.



(Source: IMF)

Indian

As per Central Statistics Office (CSO), Indian economy witnessed a growth of 7.6% during the FY2015-16 from 7.2% in the previous year due to robust manufacturing growth. The manufacturing sector accelerated to 9.3%, up from 5.5% in the previous fiscal and farm sector grew at 1.2% in FY2015-16 as against contraction of 0.2% in the previous fiscal. Growth also resulted due to increase in private consumption and investment demand. During FY2015-16 private consumption increased due to higher auto sales and adequate monsoons together with heavy dividend pay-outs by corporates rather than increasing investment spending. Going forward, better monsoons and seventh pay commission pay-outs are likely to remain supportive of consumption. However, private capex will likely remain weak for a few more quarters with growth continuing to be heavily reliant on Government spending. Therefore, CSO expects Indian economy to grow at a wide range of 7-7.5% in FY2016-17.



(Source: CSO)

INDUSTRY REVIEW

Global Chemical Industry

The chemical industry as a whole remains heavily exposed to economic cycles and pretty much all of the industry's underperformance of the last few years can be attributed to the economic turmoil. Global economy has seen deteriorating macro data points in 2015, particularly in emerging markets. In 2015, volumes benefited from restocking during the first half and demand from Asia. Even in North America, which has been one of the most stable chemical markets over the last five years, it is recently seen leading indicators of chemical demand decline. In particular the American Chemical Society's Chemical Activity Barometer (CAB) suggests that growth will slow in the first half of 2016 in North America. There is additional risk to the sector's volume growth as approximately one-third of volumes coming from developing nations; this is particularly the case in China where industrial production is at its lowest

level for the last ten years. Global industrial production in the first half of 2016 is expected to be around 2.5%, increasing to around 3.5% in the second half of 2016. The industry has been adding significant capacity across every chemical product chain in developing nations which led to oversupply, subsequently leading to pressure on prices. The industry is expected to continue face a lack of pricing power until FY2017. The sector's cash generation is likely to increase as capex spend declines and the opportunities for further capacity expansion reduce with the slowdown in underlying demand.

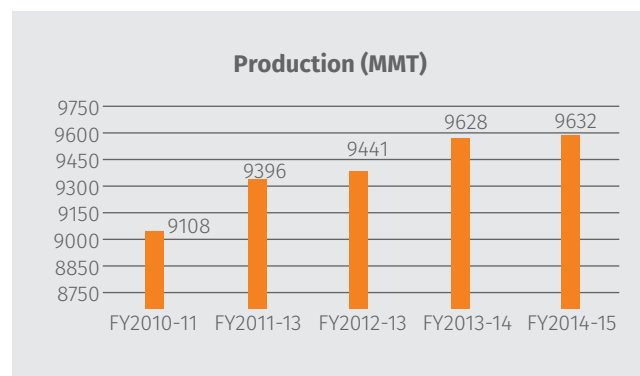
Global chemical production (excluding pharmaceuticals) will probably grow by 3.4% in 2016, slightly slower than the growth of 3.6% in 2015. Production in advanced economies is expected to expand by 1.3%, somewhat slower than in the previous year 1.6%. At 5.0%, overall growth in the emerging markets is also expected to remain at prior-year levels.

Indian Chemical Industry

India is the third largest producer of chemicals in Asia and sixth largest in the world. At the end of 2015, the Indian chemical industry's market size reached \$144 billion. Chemical industry is one of the most diversified sectors, covering more than 80000 commercial products. According to Tata Strategic Management report, the industry is expected to reach \$214 billion by 2019.

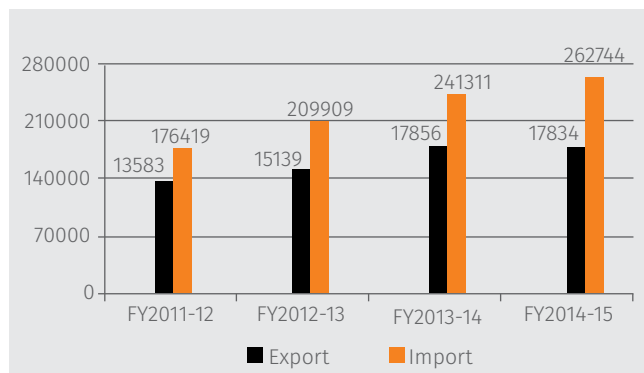
The chemical industry is among the fastest growing ones in India. The bulk of chemicals produced in India comprise either upstream products or intermediates, which go into a variety of manufacturing applications including fertilizers, pharmaceuticals, textiles and plastics, agrochemicals, paints and dyes.

The production of major chemicals during FY2015-16 (till September 2015) was 4,863 MMT compared to 4,808 MMT during the same period in the previous year.



(Source: Government of India Ministry of Chemicals & Fertilizers Department of Chemicals and Petrochemicals Annual Report 2015-16.)

India is the net importer of chemicals. During the FY2015-16 (till September 2015) the country reported Rs. 89,913 crore of exports compared to Rs 89,913 crore during the FY2014-15 (till September 2014). While import fell to Rs.1,37,771 crore in FY2015-16 (till September 2015) from Rs. 1,39,838 crore in FY2014-15 (till September 2014).



(Source: Government of India Ministry of Chemicals & Fertilizers Department of Chemicals and Petrochemicals Annual Report 2015-16.)

Chemical industry is highly diverse with major sectors like alkali, inorganic chemicals, organic chemicals, pesticides, paints and dyes, among others. With 68.3% of the total production share, alkali chemicals form the largest segment in the Indian chemical industry in FY2015-16 (upto September 2015).

SWOT ANALYSIS

Strength

- **Favourable demographics:** A large population and dependence on agriculture are the key growth drivers for the chemical industry. Per-capita consumption of chemicals in India is lower relative to Western countries; hence, there exists a large hidden demand.
- **Strong Government support:** In 2015, the Government launched second phase of “Chemistry Everywhere” campaign to boost the growth of chemical industry in India. Moreover, 100% FDI is permissible in the Indian chemicals sector and the manufacturing of most chemical products is de-licensed. The Government of India has also launched the Draft National Chemical Policy, which aims to increase India’s share of chemical sector in the GDP.
- **Diversified industry:** The Indian chemical industry has diversified manufacturing base that produces world-class products.
- **Raw material:** Raw material requirement is fulfilled domestically and is easily available.
- **Tropical climate:** India’s tropical climate facilitates in open storage of bulk chemicals.

Weakness

- **High bargaining power of customers:** Presence of numerous suppliers in the market lead to high bargaining power to customers.
- **Highly fragmented:** Chemical industry in India is highly fragmented with intense rivalry amongst companies.
- **Technology:** Low investment in R&D and engineering facilities makes difficult for the country to compete with developed nations.
- **High cost:** The industry faces very high cost of power as well as finance.
- **Scale of production:** Plant sizes in India are small in comparison to other countries. Hence, companies tend to lose the advantages of economies of scale.
- **High barriers to entry:** Huge capital requirements together with patent protection are primary barriers to entry in the market.

Opportunities

- **Availability of feedstock supply:** There is reliable and competitive feedstock supply available in the market.
- **Absence of substitutes:** Every buyer tends to have specific chemical requirements and there is no direct substitute for a specific chemical requirement.
- **Structural advantage:** With a growing market and purchasing power, the domestic industry is likely to grow in the coming years. Growing disposable incomes and increasing urbanisation are fuelling the end consumption demand for paints, textiles, adhesives and construction, which, in turn, leads to substantial growth opportunity for chemicals companies.

Threats

- **Import tariff:** Tariff levels in India for most chemicals are significantly higher than in other countries. Hence, there is much pressure to reduce import tariffs.
- **Extinction:** The industry may face extinction if competitiveness is not acquired.
- **Price-competitive:** In China chemicals are produced at a much lower cost, hence, India may face the problem of price-competitiveness.
- **Bilateral/multilateral trade agreement:** The industry may also face threats due to bilateral/multilateral trade agreements of the country.

COMPANY OVERVIEW

Vinati Organics Limited was incorporated in 1989 and manufactures specialty organic intermediaries, monomers

and polymers. The Company is the world's largest manufacturer of Isobutylbenzene which is the basic raw material for manufacture of the Ibuprofen bulk drug. VOL is also the largest manufacturer of 2-Acrylamido 2-methylpropanesulfonic Acid in the world.

PRODUCT PROFILE

Isobutyl Benzene (IBB): IBB is a specialty chemical widely used as an intermediate in the preparation of Ibuprofen, an anti-inflammatory/anti-arthritic/analgesic medicine for pain management. Ibuprofen is primarily manufactured in India, China and the USA. IBB is also used in the perfumery industry.

2-ACRYLAMIDO-2-METHYLPROPANE SULFONIC ACID (ATBS):

ATBS is a specialty monomer widely used in water treatment, acrylic fibre, adhesives, oil-field recovery and personal care products. It is also used in mining, coatings and as dispersing and flocculating agents.

Isobutylene (IB): IB is a hydrocarbon of significant industrial importance, used as an intermediate in the production of variety of products. The output from the company's IB plant is used for captive consumption as raw material for the manufacture of ATBS and also for merchant sales.

High Purity Methyl Tertiary Butyl Ether (HPMTBE): HPMTBE is a clear colorless liquid with a 99.90% purity level. It has the competitive advantage of being a strong solvating power. Its high purity content contributes to product quality. It has applications in pharmaceutical industry and in organic metallic compounds.

FINANCIAL PERFORMANCE

	(₹ in Lacs)		
	2015-16	2014-15	y-o-y growth
Net Sales	57821	75897	-24%
Operational Profit (before Interest, Depreciation and taxes)	20677	19177	+8%
Net Profit	13157	11579	+14%
Net Worth	54078	43405	+25%
Gross Block	48508	41228	+17%
Net Block	38189	32725	+17%

Brief analysis

During FY16, there was significant fall in the prices of crude and its derivatives. This fall in raw material prices consequently affected the pricing of the end products. The fall in crude prices also affected one of the applications of ATBS, which is related to oil field, also resulted in overall decline in sales. Net sales thereby decreased 24% from Rs. 75897 lacs to Rs. 57821 lacs.

Even though the Net sales fell by 24%, the Operational Profit Before Interest Depreciation and Taxes fell by only 9%. But since there was a one-time gain of Rs. 3197 lacs on account of export benefits related to earlier years, we ended up having an increase of 8% in the Operational Profit Before Interest Depreciation and Taxes; Net profit increased by 14% from Rs. 11579 lacs to Rs. 13157 lacs.

Revenue Analysis

Geographic revenue analysis

	2015-16	2014-15
Domestic	33%	32%
International	67%	68%

	2015-16	2014-15
IBB	31%	30%
ATBS	46%	46%
IB	9%	12%
HPMTBE	6%	4%
Others	8%	8%

RISK MANAGEMENT

The management at VOL continues to take proactive approach to recognise and mitigate risks that affect the day-to-day business operations.

Health and environment

Risk: Health and safety

Mitigation: Health and safety remains one of the integral operational priorities. All management meetings at Vinati feature a health and safety update as one of our top agenda items.

Risk: Environment

Mitigation: We look forward to make a positive contribution to the health and well being of our consumers and the communities we are present in. Our corporate social responsibility statement on page 16 describes our efforts in more detailed manner.

Client and consumers

Risk: Client retention

Mitigation: We aim to build long-term relationships with our clients based on quality and value. Our business model is structured so that we are not reliant on one particular sector, geography or group of details.

Risk: Delivering customised solutions

Mitigation: We strive to meet consumer demand for quality, choice and value by developing innovative products which suit our consumers' requirements.

People**Risk: People retention**

Mitigation: The recruitment and retention of skilled employees is a challenge faced by many industries. We have established training and development and performance management programmes which are designed to align rewards with our corporate objectives and to retain and motivate the best people.

Quality risk**Risk: Quality Standards**

Mitigation: Our Company holds the most credible certifications for quality and environment like ISO 9001:2008, ISO 14001: 2004 and ISO 18001:2007. Customers carry out an EHS audit at our premises in addition to stringent quality control which strengthens our quality commitment.

Foreign Exchange risk**Risk: Revenue & Profitability**

Mitigation: The Company's revenues are largely generated from exports and hence denominated in foreign currency, predominantly USD. Against these the company procures raw materials through import and local purchases, where local purchases track import parity price. Also, contracts entered into with customers have provision to share the forex risk. Further, the long term loans of the Company are all in USD terms. All these measures act as a natural hedge to a large extent.

Funding risk**Risk: Funding requirements**

Mitigation: We have a low debt equity ratio of 0.08 and a high interest cover which will help us in raising funds as and when needed.

Internal Control systems and their adequacy

Internal control and proper systems give authenticity to the information, reports, records, documents, transactions and serve as a strong foundation for decision making by the management. The Company has established proper internal control systems and procedures which are compatible with the size of its operations and business. With a view to ensure that systems are adhered to and controls are not flouted, a firm of chartered accountants conduct internal audit of operations, establishments, and stockyards quarterly. The Audit Committee reviews the reports of Internal Auditors and monitors effectiveness and operational efficiency of internal control systems. The Audit Committee gives valuable suggestions from time to time in improving the business processes, systems and internal controls. Annual internal audit plans are prepared by internal auditors in consultation with the Audit Committee and audit is conducted in accordance with this plan.

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, 2016 employed for whole of the year.

Sr. No.	Designation & nature of duties (as at March 31, 2016)	Qualification	Age (Yrs.)	Date of Joining	Experience	Gross Remuneration received (Rs. in Lacs)	Previous employer	Designation
1	Managing Director	Master of Business Administration from BITS, Pilani	66	15.06.1989	43	104.60	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2	Executive Director	Bachelors in Science in Economics & Engineering from University of Pennsylvania	32	20.05.2006	11	79.51	Mercer Oliver Wyman	Consultant

ANNEXURE G

1 Sr. No.	2 CSR Project or activity identified	3 Sector in which the project is covered	4 Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was under-taken	5 Amount outlay (budget) project or programs wise	6 Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	7 Cumulative expenditure up to the reporting period	8 Amount spent Direct or through implementing agency
1	Provided Water charges social fund CETP charges, Police welfare fund, School activities, Training, Science exhibition, Laptop, Construction of shed, Water pipelines and other welfare schemes.	Rural Development & Environment	Lote, Mahad & Ahmednagar (Maharashtra).	2000000.00	1577237.00	1577237.00	Direct
2	Imparting professional educations in the fields of medical science, engineering, technology, management & architecture.	Education	Mahad, Lote & Ahmednagar (Maharashtra), Ghaziabad (UP), Dehradun(Uttarakhand)	15000000.00	15000000.00	16577237.00	Direct
3	Contribution to hospital for medical facilities etc.	Health	Mumbai & Nashik (Maharashtra)	10000000.00	10000000.00	26577237.00	Direct

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

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)

CSR Meaning

Corporate Social Responsibility (CSR) is a form of corporate self regulation integrated into business model. The term stake holder meaning those on whom an organization's activities have on impact.

There is no other way to run your business rightly. Honesty has to be accepted as an axiom, which is the only way to do business. It gives you the mental and moral strength and the ability to do it the right way.

Philosophy

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is VOL's belief that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. VOL believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, VOL will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of VOL's business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

CSR Policy

It is VOL's policy:

1. To direct VOL's CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;
2. To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;

3. To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
4. To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
5. To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/ regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
6. To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit;

CSR Management

• Plan

Consult Stakeholders
Establish code of conduct
Set targets

• Do

Establish management
Systems & personnel
Promote code compliance

• Check

Measure progress
Audit
Report

• Act

Corrective action

• Reform of system

CSR Governance

1. Every year, the Corporate Social Responsibility Committee (CSRC) will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

2. The CSRC will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
3. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSRC within the specified budgets and timeframes and report back to the CSRC on the progress thereon at such frequency as the CSRC may direct.
4. The CSRC shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
5. Once every six months the CSRC will provide a status update to the CSR and Sustainability Committee on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSRC review such reports and keep the Board apprised of the status of implementation of the same.
6. At the end of every financial year, the CSRC will submit its report to the Board.

Guiding Principles

To attain its CSR objectives in a professional manner and integrated manner, the Company shall:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/ judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.

- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.
- Create a business value chain which is sustainable – environmentally + socially + economically.
- Promote an inclusive work culture.
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.
- Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- Promoting the well being and development of employees and their families through an inspiring corporate culture that engenders good values.
- Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on issues of their interest.
- At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.

CSR Expenditure

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

ANNEXURE I

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2016

Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] **FORM NO. MGT-9**

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L24116MH1989PLC052224
Registration Date:	15.06.1989
Name of the Company:	VINATI ORGANICS LTD
Category / Sub-Category of the Company	Company limited by shares - Non-government company
Address of the Registered office and contact details:	B-12 & B-13/1, MIDC Industrial Area, Mahad - 402 309, Dist. Raigad, Maharashtra, India. Tel No.: 02145-232013/14, Website: www.vinatiorganics.com, Email: shares@vinatiorganics.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Mumbai - 400 072. Tel. No.: 022-28515606/5644, Email: sharexindia@vsnl.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
a	Suchir Chemicals Pvt. Ltd. 301-302, Riya Palace, Swami Samarth Nagar, Andheri (West), Mumbai – 400 053.	U24110MH1998PTC114423	Holding	44.526

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

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	14331812	0	14331812	27.78	14331812	0	14331812	27.78	0
(b). Central Govt.									
(c). State Govt(s).	0	0	0		0	0	0		0
(d). Bodies Corpp.	22940435	0	22940435	44.466	22971435	0	22971435	44.526	0.06
(e). FIINS / BANKS.	0	0	0		0	0	0		0
(f). Any Other		0				0			0
Sub-total (A) (1):-	37272247	0	37272247	72.246	37303247	0	37303247	72.306	0.06

D. SHARE HOLDING PATTERN

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FI	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	37272247	0	37272247	72.246	37303247	0	37303247	72.306	0.06
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	3577804	0	3577804	6.935	3352675	0	3352675	6.499	(0.436)
(b). Banks / FI	6765	0	6765	0.013	7689	0	7689	0.015	0.002
(c). Central Govt.									
(d). State Govt.	7823	0	7823	0.015	7580	0	7580	0.015	0
(e). Venture Capital Funds	0	0	0		0	0	0		0
(f). Insurance Companies	0	0	0		0	0	0		0
(g). FIs	409026	0	409026	0.793	347400	0	347400	0.673	(0.12)
(h). Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i). Others (specify)	0	0	0		0	0	0		0
Sub-total (B)(1):-	4001418	0	4001418	7.756	3715344	0	3715344	7.202	(0.554)
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	522322	16500	538822	1.044	680907	9000	689907	1.337	0.293
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	5980989	2313255	8294244	16.077	6168204	2123255	8291459	16.072	(0.005)
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1273962	0	1273962	2.469	1252966	0	1252966	2.429	(0.04)
(c). Other (specify)									
Non Resident Indians	174318	2000	176318	0.342	253053	2000	255053	0.494	0.152
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals		0				0			0
Clearing Members	34014	0	34014	0.066	83049	0	83049	0.161	0.095
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	7985605	2331755	10317360	19.998	8438179	2134255	10572434	20.493	0.495
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11987023	2331755	14318778	27.754	12153523	2134255	14287778	27.695	(0.059)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0
Grand Total (A+B+C)	49259270	2331755	51591025	100.00	49456770	2134255	51591025	100.00	0.000

(ii) Shareholding of Promoters:

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SUCHIR CHEMICALS PRIVATE LIMITED	22940435	44.466		22971435	44.526		0.06
2	VINOD SARAF	6973550	13.517		6973550	13.517		0
3	KAVITA SARAF	6228000	12.072		6228000	12.072		0
4	VINATI SARAF MUTREJA	607335	1.177		607335	1.177		0
5	VIRAL SARAF MITTAL	522927	1.014		522927	1.014		0

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% of total Shares of the company
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reson	No. of Shares	
1	SUCHIR CHEMICALS PRIVATE LIMITED	22940435	44.466	4/1/2015	0		0	0
		0	0	9/25/2015	31000	Transfer	22971435	44.526
	-Closing Balance	22971435	44.526	3/31/2016	0		22971435	44.526

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reson	No. of Shares	% of total Shares of the company
1	GLOBE CAPITAL MARKET LIMITED	2532	0.005	4/1/2015				
				4/3/2015	67	Transfer	2599	0.005
				4/10/2015	(1334)	Transfer	1265	0.002
				4/17/2015	20	Transfer	1285	0.002
				4/24/2015	270	Transfer	1555	0.003
				5/1/2015	(45)	Transfer	1510	0.003
				5/8/2015	(108)	Transfer	1402	0.003
				5/15/2015	(24)	Transfer	1378	0.003
				5/22/2015	(199)	Transfer	1179	0.002
				5/29/2015	57	Transfer	1236	0.002
				6/5/2015	(44)	Transfer	1192	0.002
				6/12/2015	146	Transfer	1338	0.003
				6/19/2015	(9)	Transfer	1329	0.003
				6/26/2015	(152)	Transfer	1177	0.002
				6/30/2015	(4)	Transfer	1173	0.002
				7/3/2015	(45)	Transfer	1128	0.002
				7/10/2015	16	Transfer	1144	0.002
				7/17/2015	36	Transfer	1180	0.002
				7/24/2015	(91)	Transfer	1089	0.002
				7/29/2015	229	Transfer	1318	0.003
				7/31/2015	150	Transfer	1468	0.003
				8/7/2015	242	Transfer	1710	0.003
				8/14/2015	346	Transfer	2056	0.004
				8/21/2015	33	Transfer	2089	0.004
				8/28/2015	992	Transfer	3081	0.006
				9/4/2015	25	Transfer	3106	0.006
				9/11/2015	(112)	Transfer	2994	0.006
				9/18/2015	(538)	Transfer	2456	0.005
				9/25/2015	(50)	Transfer	2406	0.005
				9/30/2015	(807)	Transfer	1599	0.003
				10/9/2015	(333)	Transfer	1266	0.002
				10/16/2015	25	Transfer	1291	0.003
				10/23/2015	68	Transfer	1359	0.003
				10/30/2015	(290)	Transfer	1069	0.002
				11/6/2015	10	Transfer	1079	0.002
				11/13/2015	13	Transfer	1092	0.002
				11/20/2015	38	Transfer	1130	0.002
				11/27/2015	605	Transfer	1735	0.003
				12/4/2015	(100)	Transfer	1635	0.003
				12/11/2015	59141	Transfer	60776	0.118
				12/18/2015	(1942)	Transfer	58834	0.114
				12/25/2015	(40408)	Transfer	18426	0.036

Sr No.	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
				12/31/2015	3669	Transfer	22095	0.043
				1/8/2016	25	Transfer	22120	0.043
				1/15/2016	16745	Transfer	38865	0.075
				1/22/2016	36030	Transfer	74895	0.145
				1/29/2016	30375	Transfer	105270	0.204
				2/5/2016	36801	Transfer	142071	0.275
				2/12/2016	17830	Transfer	159901	0.31
				2/19/2016	10964	Transfer	170865	0.331
				2/26/2016	6310	Transfer	177175	0.343
				3/4/2016	(250)	Transfer	176925	0.343
				3/11/2016	(500)	Transfer	176425	0.342
				3/18/2016	(408)	Transfer	176017	0.341
				3/22/2016	(280)	Transfer	175737	0.341
	-Closing Balance			3/31/2016	(856)	Transfer	174881	0.339
2	HSBC INDIA OPPORTUNITIES FUND	200000	0.388	4/1/2015				
	-Closing Balance			3/31/2016			200000	0.388
3	HSBC MIDCAP EQUITY FUND	272214	0.528	4/1/2015				
				8/7/2015	9840	Transfer	282054	0.547
				8/21/2015	2119	Transfer	284173	0.551
				10/23/2015	30000	Transfer	314173	0.609
	-Closing Balance			3/31/2016			314173	0.609
4	SBI MAGNUM GLOBAL FUND	990332	1.92	4/1/2015				
				5/15/2015	(332)	Transfer	990000	1.919
				11/27/2015	200000	Transfer	1190000	2.307
				2/26/2016	100000	Transfer	1290000	2.5
	-Closing Balance			3/31/2016			1290000	2.5
5	SBI MAGNUM BALANCED FUND	400000	0.775	4/1/2015				
	-Closing Balance			11/27/2015	(400000)	Transfer	0	0
6	SBI MAGNUM COMMA FUND	251813	0.488	4/1/2015				
				6/30/2015	(101813)	Transfer	150000	0.291
				12/11/2015	(119000)	Transfer	31000	0.06
7	SBI MAGNUM MULTICAP FUND	100000	0.194	4/1/2015				
	-Closing Balance			2/26/2016	(100000)	Transfer	0	0
8	SBI TAX ADVANTAGE FUND SERIES I	86000	0.167	6/30/2015				
				8/14/2015	996	Transfer	86996	0.169
				8/21/2015	4597	Transfer	91593	0.178
	-Closing Balance	91593	0.178	3/31/2016			91593	0.178
9	SBI TAX ADVANTAGE FUND SERIES II	7200	0.014	6/30/2015				
	-Closing Balance			3/31/2016			7200	0.014
10	SBI TAX ADVANTAGE FUND SERIES III	7200	0.014	6/30/2015				
				8/14/2015	200	Transfer	7400	0.014
				8/28/2015	8100	Transfer	15500	0.03
	-Closing Balance			3/31/2016			15500	0.03
11	SBI SMALL AND MIDCAP FUND	170000	0.33	4/1/2015				
				10/23/2015	(71416)	Transfer	98584	0.191
				10/30/2015	(17989)	Transfer	80595	0.156
				11/6/2015	(19927)	Transfer	60668	0.118
12	SBI MUTUAL FUND	16500	0.032	4/1/2015				
				1/29/2016	(750)	Transfer	15750	0.031
	-Closing Balance			3/31/2016			15750	0.031
13	SBI EQUITY OPPORTUNITIES FUND SERIE	300000	0.581	4/1/2015				
	-Closing Balance			3/31/2016			300000	0.581

Sr No.	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
14	SBI LONG TERM ADVANTAGE FUND SERIES	26000	0.05	4/1/2015				
	-Closing Balance			3/31/2016			26000	0.05
15	SBI EQUITY OPPORTUNITIES FUND SERIE	200000	0.388	4/1/2015				
	-Closing Balance			3/31/2016			200000	0.388
16	SBI LONG TERM ADVANTAGE FUND SERIES	4187	0.008	4/10/2015				
				5/1/2015	4635	Transfer	8822	0.017
				5/15/2015	10000	Transfer	18822	0.036
	-Closing Balance			3/31/2016			18822	0.036
17	SBI DUAL ADVANTAGE FUND SERIES X	2604	0.005	8/21/2015				
				8/28/2015	3293	Transfer	5897	0.011
				9/4/2015	3653	Transfer	9550	0.019
	-Closing Balance			1/8/2016	(9550)	Transfer	0	0
18	SBI EQUITY OPPORTUNITIES FUND SERIE	85000	0.165	11/27/2015				
	-Closing Balance			3/31/2016			85000	0.165
19	MIRAE ASSET EMERGING BLUECHIP FUND	239084	0.463	4/1/2015				
				4/17/2015	(37023)	Transfer	202061	0.392
				4/24/2015	(11824)	Transfer	190237	0.369
				5/15/2015	(12266)	Transfer	177971	0.345
				5/22/2015	(14219)	Transfer	163752	0.317
				6/19/2015	14995	Transfer	178747	0.346
				6/26/2015	2780	Transfer	181527	0.352
	-Closing Balance			7/10/2015	(181527)	Transfer	0	0
20	MIRAE ASSET INDIA OPPORTUNITIES FUN	187368	0.363	4/1/2015				
				4/24/2015	(1162)	Transfer	186206	0.361
				5/1/2015	(1587)	Transfer	184619	0.358
				5/8/2015	(1030)	Transfer	183589	0.356
				7/3/2015	1684	Transfer	185273	0.359
21	MIRAE ASSET INDIA OPPORTUNITIES FUN	185273	0.359	7/10/2015				
				11/20/2015	7713	Transfer	192986	0.374
				11/27/2015	42000	Transfer	234986	0.455
				12/4/2015	10000	Transfer	244986	0.475
				12/11/2015	25000	Transfer	269986	0.523
	-Closing Balance			3/31/2016			269986	0.523
22	MIRAE ASSET EMERGING BLUECHIP FUND	181527	0.352	7/10/2015				
				7/17/2015	4845	Transfer	186372	0.361
				11/6/2015	25214	Transfer	211586	0.41
				11/13/2015	40000	Transfer	251586	0.488
				11/20/2015	22713	Transfer	274299	0.532
				11/27/2015	33000	Transfer	307299	0.596
				12/4/2015	10000	Transfer	317299	0.615
				12/11/2015	10000	Transfer	327299	0.634
	-Closing Balance			3/31/2016			327299	0.634
23	SUSHMITA ASHISH KACHOLIA	200000	0.388	4/1/2015				
				8/7/2015	(20000)	Transfer	180000	0.349
				9/4/2015	(25000)	Transfer	155000	0.3
	-Closing Balance			3/31/2016			155000	0.3
24	TARAMATI BABUBHAI SHAH	176572	0.342	4/1/2015				
				8/14/2015	(2400)	Transfer	174172	0.338
				1/8/2016	(900)	Transfer	173272	0.336
				1/22/2016	(3084)	Transfer	170188	0.33
	-Closing Balance			3/31/2016			170188	0.33

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Particulars	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Mr. Mahendrakumar Churiwala				
	At the beginning of the year	20000	0.039		
	At the End of the year			20000	0.039
2	Mr. Amit Thanawala				
	At the beginning of the year	230	0		
	At the End of the year			230	0
3	MR. Budhi Sagar Lathi				
	At the beginning of the year	1	0		
	At the End of the year			1	0
4	Mr. M. A. Mahiman				
	At the beginning of the year	17	0		
	At the End of the year			17	0
5	Mr. M. D. Purohit				
	At the beginning of the year	3,288	0.006		
	At the End of the year			3,288	0.006

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	(₹ in Lacs) Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,529.54	-	-	6,529.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35.12	-	-	35.12
Total (i+ii+iii)	6,564.66	-	-	6,564.66
Change in Indebtedness during the financial year				
• Addition (Increase of term loan due to \$ rate increase ₹218.36 and working capital bank borrowing increase ₹92.58.)	310.94	-	-	310.94
• Reduction	(2,633.61)	-	-	(2,633.61)
Net Change	(2322.67)	-	-	(2322.67)
Indebtedness at the end of the financial year				
i) Principal Amount	4,206.87	-	-	4,206.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	22.07	-	-	22.07
Total (i+ii+iii)	4,228.94	-	-	4,228.94

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration To Managing Director, Whole-Time Directors And/Or Manager:

Sr No.	Particulars	Name of MD/WTD/ Manager			(₹ in Lacs)
		Mr. Vinod Saraf, Managing Director	Ms. Vinati Saraf Mutreja, Executive Director	Ms. Viral Saraf Mittal, Director - Corporate Strategy	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	103.24	76.55	43.31	223.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.36	2.96	1.41	5.73
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil
	Ceiling as per the Act	Nil	Nil	Nil	Nil
	Total	104.60	79.51	44.72	228.83

B. Remuneration To Other Directors:

Sr No.	Particulars of Remuneration	Name of Directors				(₹ in Lacs)
						Total Amount
1.	Independent Directors	Mr. Girish M. Dave	Mr. R. K. Saraswat	Mr. C. B. Gokhale	Mr. A. A. Krishnan	
	• Fee for attending board/ committee meetings	2.50	3.00	1.25	1.25	8.00
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	2.50	3.00	1.25	1.25	8.00
2.	Other Non-Executive Directors	Mr. Mohit Mutreja	Mr. Sunil Saraf			
	• Fee for attending board/ committee meetings	1.00	1.00			2.00
	• Commission	Nil	Nil			Nil
	• Others, please specify	Nil	Nil			Nil
	Total (2)	1.00	1.00			2.00
	Total (B)=(1+2)	3.50	4.00	1.25	1.25	10.00
	Total Managerial Remuneration	Nil	Nil			Nil
	Overall Ceiling as per the Act	Nil	Nil			Nil

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

(₹ in Lacs)

Sr No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		COO	CFO	Company Secretary	
1	Gross salary	59.00	49.00	24.61	132.61
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.32	0.32	0.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
	Others, please specify	Nil	Nil	Nil	Nil
	Total	59.32	49.32	24.93	133.57

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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 period ended on 31st March, 2016 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-law 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, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (effective 15th May 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 – Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
 - (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 Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;

6. The management has identified and confirmed the following laws as being specifically applicable to the Company;

- i. Industrial Disputes Act, 1947
- ii. The Payment of Wages Act, 1936
- iii. The Minimum Wages Act, 1948
- iv. Maharashtra Labour Welfare Fund Act, 1953
- v. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- vi. The Payment of Bonus Act, 1965
- vii. The Payment of Gratuity Act, 1972
- viii. The Contract Labour(Regulation and Abolition) Act, 1970
- ix. The Maternity Benefits Act, 1961
- x. Shops and Establishments Act, 1948

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 Listing Agreements entered into by the Company with BSE & NSE and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

Place: Mumbai
Date: 14 May 2016

For **VKM & Associates**
Practicing Company Secretary

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

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

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

Place: Mumbai
Date: 14 May 2016

For **VKM & Associates**
Practicing Company Secretary

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

RISK MANAGEMENT POLICY

Introduction:

Vinati Organics Ltd (VOL) recognizes that enterprise risk management is an integral part of good management practice. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

Policy

- The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.
- The Company will keep investors informed of material changes to the Company's risk profile through its periodic reporting obligations and ad hoc investor presentations.
- The Company reviews and reports annually on its compliance with the Corporate Governance Principles and Recommendations, relating to risk management and the internal control framework.

Risk Management Philosophy

The continued successful safeguarding, maintenance and expansion of the company's businesses requires a comprehensive approach to risk management.

It is the policy of the Company to identify, assess, control and monitor all risks that the business may incur to ensure that the risks are appropriate in relation to the scale and benefit of the associated project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance, brand or reputation of the Company.

Fundamental values of the Company are respect for our employees, customers and shareholders and integrity in everything we do. By acknowledging that risk and control are part of everyone's job, and by incorporating risk management into VOL daily business practices the Company will be better equipped to achieve our strategic objectives, whilst maintaining the highest ethical standards.

All staff is expected to demonstrate the highest ethical standards of behavior in development of strategy and pursuit of objectives.

Individually and collectively the Company's employees shall:

- Consider all forms of risk in decision-making;

- Create and evaluate group-wide ("corporate"), divisional and business unit risk profiles;
- Continually monitor and seek ways to improve the risk management framework;
- Retain ownership and accountability for risk and risk management at the corporate and divisional level;
- Strive to achieve best practices in Risk Management; and
- Accept that Risk Management is mandatory, not optional.

Risk Appetite

VOL's risk appetite represents the amount of risk the Company is willing to undertake in the achievement of its strategic objectives. It is inextricably linked to VOL's strategic and operating planning processes.

In assessing risk appetite the Board and management consider the needs and expectations of VOL's shareholders, customers and employees and the desire to build a profitable, socially responsible and sustainable Organisation.

As an Organisation that provides products and services that are all essentially of a compliance nature, the Board and Management acknowledge that stakeholder expectations are likely to be more exacting than could be applied to other Organisations. As a consequence VOL will not accept risks which could expose VOL to:

- unacceptable levels of financial loss relative to strategic and operational targets
- breaches of legislative or regulatory non-compliance
- damage to its reputation
- unacceptable interruption to the provision of services to customers
- damage to relationships with its customers and key stakeholders
- health and safety metrics below target.

The Board and Management acknowledge that VOL operates in sectors that are growing and consolidating. Opportunities exist to supplement organic growth with

selected acquisitions to grow the business, provide enhanced opportunities for our people and improved returns for our shareholders, and reduce the reliance on any one single income stream. The Board and Management accept that acquisitions are inherently risky but accept this risk providing the acquisition:

- is consistent with strategic objectives;
- is financially compelling; and
- is subjected to detailed financial and legal due diligence reviews.

Risk Framework

- Risk identification, assessment and treatment are part of the yearly business planning process. Risk ownership is allocated to management for risk assessment and risk treatment plan determination.
- Regular review, assessment and monitoring of existing risks are to occur quarterly. New risks are to be managed as they arise. All risks must be re-assessed when there is an organisational change to the business structure (i.e. an acquisition, management change or restructure of the business).
- Risk Assessment is conducted using a risk matrix for likelihood and consequence, taking the existing controls into consideration. The consequence assessment covers:
 - Financial;
 - Service delivery;
 - People (including health and safety);
 - Reputation and Brand; and
 - Regulatory and Compliance.
- Risk Treatment options are considered in determining the suitable risk treatment strategy. Planned action plans supporting the strategy are recorded in an on-line risk management database identifying responsibilities and a time line for completion. Risk treatment options include:
 - Avoid the risk;
 - Reduce the likelihood of the occurrence;
 - Reduce the consequences of the occurrence;
 - Transfer the risk (mechanism includes insurance arrangements); or
 - Retain the risk.
- Senior management are required to monitor and review existing risks recorded in the risk management system and to add new identified material risks at least quarterly. It is the responsibility of senior management to ensure that risk records are updated.

- Key risks reports, with progress of risk treatment implementation and the effectiveness of controls, are to be reviewed by the Executive Committee no less than quarterly.
- Reports relating to the risk management framework are reviewed by the Board Audit & Risk Committee, with “risk management” being a standing item on each meeting of the Committee.

The Company’s Assurance Services division manages its risks by ensuring compliance with relevant standards.

The Assurance business is subjected to periodic, independent audits by the accreditation bodies, against our registered/approved scope in accordance with the relevant standards.

In addition, the business undertakes its own internal audits, the performing of which is a requirement of the accreditation procedures.

Risk Management Responsibilities and Authority

a. Board and Audit & Risk Committee

- The Board oversees the establishment and implementation of the Company’s enterprise risk management framework and shall review annually the effectiveness of that system.
- The Audit & Risk Committee oversees the operation of the enterprise risk management system and ensures its adequacy. The Committee monitors the internal policies for identifying and determining key risks to which the Company is exposed.

b. CEO and Executive Committee

- The Chief Executive Officer and the members of the Executive Committee are responsible for monitoring and reviewing the strategic risk register at least quarterly for completeness, continued relevance of risk assessment, effectiveness of risk treatment plan and timeliness of implementation of risk treatment actions, taking into account changing circumstances.
- The Chief Executive Officer and the Chief Financial Officer provide half-yearly a statement to the Board in writing that the Company’s risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

c. All Staff

- The effective management of risk is the responsibility of all managers, staff and others engaged to act on behalf of the Company.

Internal Compliance and Controls:

- In addition to the risk management framework, the Company has an internal compliance and control system based on the following:
- An internal audit program approved by the Audit & Risk Committee;
- A financial reporting control system which aims to ensure that financial reporting is both accurate and timely.
- The Company has a number of control processes in place to help ensure that the information presented to senior management and the Board is both accurate and timely. The control processes include, among other things:
- Annual audit and half-year review by the Company's external auditor;
- Planned review by internal auditors reviewing the effectiveness of internal processes, procedures and controls;
- Monthly review of financial performance compared to budget and forecast.

Compliance and Control Responsibilities and Authority**a. Board and Audit & Risk Committee**

- The Audit & Risk Committee is responsible for approving the appointment of the internal auditor and approving the annual internal audit plan.

b. CEO and Executive Committee

- The Chief Executive Officer and the Chief Financial Officer provide half-yearly a statement to the Board in writing, that the Company's financial reports present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is

founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

- The Chief Executive Officer and the members of the Executive Committee shall, in addition to their general and specific responsibilities, be responsible for the co-operation necessary to assist the Internal Auditor in carrying out internal audit.

c. Internal Audit (GIA)

- The IA function is independent of the external auditor and has direct access to the Chairman of the Board and the Chairman of the Audit & Risk Committee. To ensure the IA can act independently it is functionally responsible, and reports to the Audit & Risk Committee. It is administratively responsible, and reports to the CFO.
- Any deviations from the Company's policies identified through internal audits are reported to responsible management for action and to the Audit & Risk Committee for information or further action.
- The purposes, responsibilities and authorities of the IA are detailed in the "VOL Internal Audit Charter".

Assessment of Effectiveness:

- Group Internal Audit provides the Audit & Risk Committee and management with independent and objective assurance and advisory services, and helps the Company accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance functions.
- The Audit & Risk Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework, the internal compliance and control systems and shall report on the same to the Board, no less than annually or at such intervals as determined by the Board.

ANNEXURE L

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 2015-16.
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - a. Name(s) of the related party and nature of relationship: Viral Alkalies Limited (VAL), Associate Company of VOL.
 - b. Nature of contracts / arrangements / transactions: The details of effluent water sold to Viral Alkalies Limited as under:
5776.1 KL x ₹25/- = 144403/- during the year. Contract was entered for the year 2015-16.
This is only related party transaction done during the year.

ANNEXURE M

EVALUATION OF THE NON-INDEPENDENT EXECUTIVE DIRECTORS AND DIRECTORS:

		Mr. Vinod Saraf	Ms. Vinati Saraf Mutreja	Ms. Viral Saraf Mittal	Mr. Sunil Saraf	Mr. Mohit Mutreja
1	How well prepared & informed is he/she for board meetings	Excellent	Excellent	Excellent	Excellent	Excellent
2	What has been the quality & value of his/her contribution at board meetings?	Excellent	Excellent	Very good	Very good	Very good
3	What has been his/her contribution towards development of strategy management?	Excellent	Excellent	Very good	Very good	Very good
4	How well he/she communicates with fellow board members, senior management & others & manages the views of other during the board meeting?	Excellent	Very good	Very good	good	Very good

CORPORATE POLICY ON INTERNAL FINANCIAL CONTROL

Introduction:

The Board of Directors of VINATI ORGANICS LIMITED in its Board Meeting held on 30th January, 2016 has adopted the following Internal Financial Control Policy which will be applicable with immediate effect.

Section 134 (5) (e) of the Companies Act, 2013 requires, the Board of every Listed Company to lay down Internal Financial Control Policy to be followed by the Company which helps in 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 timely preparation of reliable financial information.

Definitions:

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing agreement.

"Board of Directors" or "Board" in relation to a Company, means the collective body of Directors the Company. [Section 2(10) of the Companies Act, 2013]

"Books or Books of account" as per sub-section (12A) of Section 2 of Income Tax Act, 1961 means "Books or Books of account includes ledgers, day-books, cash books, account-books and other books, whether kept in written form or as print-outs of data stored in floppy, disc, tape or any other form of electro- magnetic data storage device."

"Financial Statement" as per Section 2(40) of Companies Act, 2013 in relation to a Company means a Statement which includes --

- (i) a balance sheet as at the end of the financial year;
- (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;
- (iii) cash flow statement for the financial year;
- (iv) a statement of changes in equity, if applicable; and
- (v) any explanatory note annexed to, or forming part of, any document referred to in sub- clause (i) to sub-clause (iv):

"Internal Financial Control" as per Section 134(5)(e) of Companies Act, 2013 means" the policies and procedures

adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguard of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information."

"Policy" means "Internal Financial Control Policy."

Objectives:

- To mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded.
- Financial reporting is accurate and reliable.
- To ensure Company's resources are used prudently and in an efficient, effective and economical manner.
- Resources of the Company are adequately managed through effective internal controls.
- A framework for an effective internal control system which conveys to managers that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the Company's and to all Employees that they are responsible for adhering to those internal controls.
- To ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Company's objectives through operational efficiency.

Elements Of Internal Control Framework:

The essential elements of an effective internal financial control framework are:

- Structure and culture of Organization;- H.R.
- Delegations of Authority;
- Policies and procedures;
- Trained and properly qualified staff;- H.R.
- Information Technology controls;-I.T.
- Review process e.g. internal audit;
- Liaison with auditors and legal advisors;
- Senior Management compliance assurance;
- Risk identification and assessment

Keynotes On Internal Control Policy:

- Senior management, to be responsible for establishment of overall policies and active oversight of parameters and controls.
- Internal audit, to ensure that independent assessments are made encompassing functioning of various compliances under various statues and Rules & Regulations framed there under, adequate systems and procedures are at place for physical verification of stocks of raw materials, finished goods, stores and spare parts, work- in-progress, fixed assets and other assets, proper books of accounts, vouchers along with supports and other documents are maintained, confirmation of balances from debtors, creditors and other parties are obtained periodically/ at year end and proper systems and procedures are at place for internal control at various departments.
- Operational risks, including segregation of duties, checks and balances, protection of customer funds and securities, operating systems, management information systems, management reporting, front and back office operations, contingency planning and disaster recovery.
- And finally, to ensure that new products and activities are assimilated into the risk management system in a timely and appropriate manner.

For Effective Financial Control, The Board Of Directors And Senior Management Shall Ensure:

- Physical verification of inventories at reasonable intervals.
- Physical verification of all Fixed Assets at reasonable intervals.
- Adequate Internal Control procedure are at place for maintaining proper records in respect of sale/purchase of goods and services.
- All undisputed statutory dues including provident fund, Investor Education Protection Fund, Employee State Insurance, IncomeTax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Rates and Taxes and other Statutory dues are paid within the prescribed time.
- Funds availed on short term basis are not used for long term investment.
- The funds raised through Public issue, Right issue, Preferential/Private placement shall be used for the purposes as stated in Prospectus/Offer Letter.
- The Company shall comply with all applicable Statutory Laws, Rules and Regulations.

- No loan or deposits exceeding Rs. 20,000/- or more are taken or accepted from any person otherwise than by an account payee cheque or account [payee bank draft (section 269 SS of income tax act 1961)]
- No expenditure exceeding Rs.20,000 or more are paid otherwise than by an account payee cheque/pay order/ NEFT/DD/except the circumstances enumerated in Income Tax(section 40 A(3) Rule Of Income Tax Act 1961)
- No loan or deposits exceeding Rs. 20,000/- or more are repaid otherwise than by an account payee cheque or account [payee bank draft (section 269 T of Income Tax Act 1961)]

Accounting Policies:

The Financial Statement will be prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention follows (except for certain revalued fixed assets) on the accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

The Company may adopt Accounting Policies to provide for:

- Methods of depreciation, depletion and amortization.
- Valuation of inventories
- Valuation of investments
- Treatment of retirement benefits
- Valuation of fixed assets
- Treatment of contingent liabilities

Balance Sheet:

The balance Sheet and Statement of Profit and Loss of the Company shall be in accordance with

Schedule III of Companies Act, 2013.

Regulatory Framework/Requirements:

Internal Control Policy is framed as per the following regulatory requirements:

Relevant Extracts from Clause 49 of Listing Agreement:**49 I (C) Disclosure and Transparency**

The Company shall ensure timely and accurate disclosure on all materiel matters including the

financial situation, performance, ownership and governance of the Company:

- Information should be prepared and disclosed in accordance with the prescribed standard of accounting, financial and non- financial disclosure.[Clause 49 I (C)(a)]

- The Company should implement the Accounting standards in letter and spirit in the preparation of financial Statements taking in to consideration the interest of all stakeholders and should also ensure that the Annual Audit is conducted by an independent, competent and qualified auditors.[Clause 49 I (C)(d)]

49 I (D). Responsibilities of Board

2. Key Functions of Board:

- Reviewing and guiding corporate strategy, major plans of action, risk policy and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particulars, systems for risk management, financial and operational control, and compliance with Law and relevant standards.

3. Other Responsibilities

- (i) The board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the Company to excessive risk.

49(III) D. Role of Audit Committee

The role of the Audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Significant adjustments made in the financial statements arising out of audit findings
 - d. Compliance with listing and other legal requirements relating to financial statements
 - e. Disclosure of any related party transactions
 - f. Qualifications in the draft audit report
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
7. Approval or any subsequent modifications of the transactions of the Company with related Parties.
8. Scrutiny of inter-corporate loans and investments.
9. Valuations of undertakings or Assets of the Company, wherever it is necessary.
10. Evaluation of internal Financial Controls and Risk Management Systems.
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

49 (Vi) Risk Management

- The Company shall lay down procedures to inform the Board Members about the Risk Management and minimization procedures.
- The Company through its Board of directors constitutes a Risk Management Committee. The Board shall define the Role and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee and such other functions as it may deem fit.

VII (D) Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. However Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to following conditions:

- (a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy of Related Party Transactions of the Company and such approval shall be applicable in respect of transactions in respect of transactions which are repetitive in nature.
- (b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in interest in the company.
- (c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of

transaction that can be entered into, (ii) the indicative base price/ current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit:

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1crore per transaction.

- (d) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
- (e) Such omnibus shall be valid for a period not exceeding one year and shall require fresh approvals of after the expiry of One year.]

VIII Disclosures

(A) Related Party Transactions

1. Details of all Material transactions with related parties shall be disclosed quarterly along with the Compliance Report on Corporate Governance.
2. The Company shall disclose the policy on dealing with Related Party Transaction on its Website and a web link thereto shall be provided in the Annual Report.

(B) Disclosure of Accounting Treatment

Where in the preparation of financial statements, a treatment different from that

prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the

financial statements, together with the management's explanation as to why it believes such

alternative treatment is more representative of the true and fair view of the underlying

business transaction in the Corporate Governance Report.

Companies Act 2013:

"Books of Account" as per Section 2(13) of Companies Act, 2013 defines: "Books of account" includes records maintained in respect of—

- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
- (ii) all sales and purchases of goods and services by the company;
- (iii) the assets and liabilities of the company; and
- (iv) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section;

1. Provision of the Section 128 of Companies Act, 2013:

- Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year and such books shall be kept on accrual basis and according to the double entry system of accounting

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place:

Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed. [Sub-section (1) of Section 128]

2. Provision of the Section 129 of Companies Act, 2013:

- The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and shall comply with the accounting standards as notified under section 133 and shall be in the form as may be provided in Schedule III.[Sub-section (1) of Section 129]
- Without Prejudice to sub-section (1) where the financial statements of the Company do not comply with the accounting standards referred to in sub-section (1), the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation. [sub-section(5) of Section 129]

3. Provisions of the Section 134 of the Companies Act, 2013:

- (1) The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the chairperson of the company where he is authorised by the Board or by two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, for submission to the auditor for his report thereon.
- (2) The auditors' report shall be attached to every financial statement.
- (3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—
 - (a) the extract of the annual return as provided under sub-section (3) of section 92;
 - (b) number of meetings of the Board;

- (c) Directors' Responsibility Statement;
- (d) a statement on declaration given by independent directors under sub- section (6) of section 149;
- (e) in case of a company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;
- (f) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—
 - (i) by the auditor in his report; and
 - (ii) by the company secretary in practice in his secretarial audit report;
- (g) particulars of loans, guarantees or investments under section 186;
- (h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;
- (i) the state of the company's affairs;
- (j) the amounts, if any, which it proposes to carry to any reserves;
- (k) the amount, if any, which it recommends should be paid by way of dividend;
- (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
- (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
- (o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
- (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made

by the Board of its own performance and that of its committees and individual directors;

(q) such other matters as may be prescribed

(4) The report of Board of Directors shall be attached to the financial statements under this sub-section.

(5) The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had 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 and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(f) The directors had devised proper systems to ensure compliance with the Provisions of all applicable laws and those systems were adequate and operating effectively.

(7) A signed copy of every financial statement, including consolidated financial Statement, if any, shall be issued, circulated or published along with a copy each of—

(a) any notes annexed to or forming part of such financial statement;

(a) the auditor's report; and

(b) the Board's report referred to in sub-section (3).

Rule 8 Of The Companies (Accounts) Rules, 2014

- The Board's Report shall be prepared based on the stand alone financial statements of the company and the report shall contain a separate section wherein a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented.[Rule 8(1)]

- The details in respect of adequacy of internal financial controls with reference to the Financial Statements. [Rule (5) (viii)]

4. Provisions of the Section 177 of the Companies Act, 2013:

The Audit Committee assists the Board in the discharge of its duties regarding the Group's financial statements, accounting policies and the maintenance of proper systems of risk management and internal control.

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

The Audit Committee may call for the comments of the auditors about internal control, scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

Internal Audit:

Provisions of the Section 138 of the Companies Act, 2013:

Company shall be required to appoint an internal auditor, who shall either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit of the functions and activities of the company.

BUSINESS RESPONSIBILITY REPORT FOR FY 2015-16

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, 2015 – March 31, 2016.
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: USA, Australia, China, Germany, France, Italy, Japan, South Korea, Thailand, Malaysia, Latvia, México & Iran etc.

Section B : Financial details of the Company as on March 31, 2016

Sr. No.	Particulars	FY 2015-16 ₹ in Lacs
1	Paid up capital	1031.82
2	Total turnover (net of excise)	63094.80
3	Total profit after taxes,	13157.18
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.02

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

(i) CSR Activities:

- The Company had incurred ₹2,65,77,237/- for various CSR activities such as Water charges social fund CETP charges, Police welfare fund, School activities, Training, Science exhibition, Laptop, Construction of shed, Water pipelines and other welfare schemes and setting up the Medical facilities and Education facilities.

Section C : Other Details

1. Does the Company have any Subsidiary company/ companies? : NO
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

4. Message from the Director's Desk:

The global environment for the chemical industry is changing at a rapid pace and business models have to be dynamic to navigate these external shifts. While we remain nimble and agile to harness new opportunities and circumvent challenges, our values anchor us through this journey. They are the foundation of our business and it is this diligent practice that has enabled us to become the world's largest manufacturer for Iso Butyl Benzene (IBB) and 2-Acrylamido 2-methylpropane Sulfonic Acid (ATBS).

One of our key value is 'responsibility' – responsibility towards community, planet, regulatory bodies, suppliers, distributors, customers, employees, and shareholders alike. We therefore synergize our business of specialty chemicals, with community development, environment stewardship and sustainability initiatives.

While nurturing nature and participating actively in societal causes is as old as our business itself, two years

ago, we synthesized all these elements in one cohesive model based on the National Voluntary Guidelines (NVG). This lent sharper focus to our initiatives and aligned them with national goals. This year our CSR activities have witnessed encouraging traction. As we accelerate up the learning curve of our new model, the engagement with sustainability issues and the resultant outcomes, both will garner more momentum

5. Employee Wellness:

Our multi-cultural team of more than 600 employees are our most valuable assets. By engaging with them, we strengthen our bonds and motivate them to perform to their peak potential. Celebrating the diversity of human capital and respecting the dignity of human rights, we have grown along with them. We are committed to inculcate our sustainability values in them, so that they act as ambassadors of the company and help us in spreading these values to their circle of influence.

6. Environment Wellness:

We have institutionalised a comprehensive EHS (Environment, Health and Safety) policy to administer and guide our operations. Our product offerings have the hallmark of technology-based differentiation and so do our environmental initiatives. We invest in technology and leverage it to increase the efficiency and effectiveness of our processes and save energy. Facilities are 'Zero Effluent Discharge'.

7. Community Wellness:

Working closely with people from all strata of society, compassion for the community comes naturally to us. Health, education, water, livelihood, environment and disaster relief are some of our key priorities. We also help conduct vocational training in communities and undertake local-level community programmes based on the needs of the residents.

An overview of our activities is covered in this Business Responsibility Report (BRR).

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VINATI ORGANICS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **VINATI ORGANICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us,, we give in the 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 appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, 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 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, we report that:
 - i) The Company does not have any pending litigations which would impact its financial position other than those mentioned in notes to accounts.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For and on behalf of
KARNAVAT & CO.
 Chartered Accountants
 Firm Regn No. 104863W

(Viral Joshi)
 Partner
 Membership No. 137686

Place : Mumbai
 Dated : May 14, 2016

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of VINATI ORGANICS LIMITED, ('the Company') for the year ended on March 31, 2016. We report that:-

i. In respect of its fixed assets:

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) As per the information and explanation given to us by the management, the title deeds of the immovable properties as disclosed in fixed assets (Note No.10 to the financial statements) are held in the name of the Company.

ii. In respect of its inventories:

The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.

- iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.

- iv. The Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186 and hence provisions of Clause 3(iv) of the aforesaid Order are not applicable to the Company.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of the Section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii.

- (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2016, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax and Central Excise Duty/ cess that have not been deposited:

Name of the Statute	Nature of Dues	Amount of Demand net of deposits (₹)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty Refund	27,00,887	03.08.2011	CESTAT
Service Tax Act, 1994	Penalty on wrong availment of Service Tax Credit	2,35,043	Jan 2012 to Nov 2012	CESTAT
Service Tax Act, 1994	Demand & Penalty on wrong availment of Service Tax Credit	7,04,589	Apr 2011 to Mar 2013	CESTAT
Service Tax Act, 1994	Demand & Penalty on wrong availment of Service Tax Credit	3,05,680	Sep 2013 to Sep 2014	Commissioner (Appeal)
Custom Act, 1962	Demand and Penalty	45,09,380	March 2012 to May 2012	Commissioner (Appeal)
Income Tax Act, 1961	Demand	2,16,140	A.Y.2009-2010	ITAT

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi. The Company is not required to be registered Section 45-IA of the Reserve Bank of India Act, 1934 and hence provisions of Clause 3(xvi) of the aforesaid Order are not applicable to the Company.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Viral Joshi)
Partner
Membership No. 137686

Place : Mumbai
Dated : May 14, 2016

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of VINATI ORGANICS LIMITED, ('the Company') for the year ended on March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited internal financial controls over financial reporting of VINATI ORGANICS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Viral Joshi)
Partner
Membership No. 137686

Place : Mumbai
Dated : May 14, 2016

BALANCE SHEET

As at 31st March, 2016

Particulars	Note no.	(₹ in Lacs)	
		As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a)Share capital	2	1,031.82	1,031.82
(b)Reserves and surplus	3	53,046.18	42,372.75
		54,078.00	43,404.57
2 Non-current liabilities			
(a)Long Term Borrowings	4	1,325.20	3,724.10
(b)Deferred Tax Liabilities (Net)	5	4,922.35	3,897.41
		6,247.55	7,621.51
3 Current liabilities			
(a)Short Term Borrowings	6	264.35	171.77
(b)Trade Payables	7	2,234.26	2,152.02
(c)Other Current Liabilities	8	4,704.45	4,013.85
(d)Short Term Provisions	9	1,167.30	2,555.72
		8,370.36	8,893.36
TOTAL		68,695.91	59,919.44
II. ASSETS			
1 Non-current assets			
Fixed Assets			
(a)Tangible Assets	10	37,645.52	32,073.97
(b)Intangible Assets	10	543.96	651.17
(c)Capital Work-in-progress		2,483.07	2,001.90
(d)Long term loans & advances	11	1,548.01	1,043.93
(e)Other Non-Current Assets	12	198.10	75.20
		42,418.66	35,846.17
2 Current assets			
(a)Current Investments	13	273.86	273.86
(b)Inventories	14	4,469.63	5,449.21
(c)Trade Receivables	15	11,482.25	12,909.57
(d)Cash and Bank balances	16	7,222.90	2,714.39
(e)Short Term Loans and Advances	17	2,686.59	2,468.71
(f) Other Current Assets	18	142.02	257.53
		26,277.25	24,073.27
TOTAL		68,695.91	59,919.44
Significant accounting policies	1		

The notes are an integral part of these financial statements.

As per our report of even date attached

For Karnavat & Co.Chartered Accountants
Firm Regn.No. 104863W**Viral Joshi**Partner
Membership No. 137686

Place: Mumbai

Date: 14th May 2016

Gunvant SinghiCompany Secretary cum
Finance Controller**Nand Kishor Goyal**

Chief Financial Officer

For and on behalf of Board of Directors

Vinod SarafCEO & Managing Director
DIN : 00076708**Vinati Saraf Mutreja**Executive Director
DIN : 00079184

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

Particulars	Note no.	(₹ in Lacs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
I. Incomes			
Revenue from Operations (Net)	19	63,094.80	77,172.56
Other Income	20	615.80	914.47
Total Revenue		63,710.60	78,087.03
II. Expenses			
Cost of Materials Consumed	21	29,545.60	45,537.83
Merchandise Purchases		10.26	51.50
Changes in Inventories of Finished goods and work-in-progress.	22	74.70	64.99
Employee benefits expense	23	3,589.05	3,189.93
Finance cost	24	785.94	975.51
Depreciation and amortisation expense	25	1,851.79	1,765.86
Other Expenses	26	9,197.55	9,151.73
Total expenses		45,054.89	60,737.35
III. Profit before tax		18,655.71	17,349.68
Less: Tax Expenses			
Current Tax		5,298.14	5,144.95
Deferred Tax		710.89	611.19
Earlier Years adjustments		(510.50)	14.14
		5,498.53	5,770.28
IV. Net Profit for the period		13,157.18	11,579.40
V. Earnings per Equity share	32		
(i) Basic		25.50	22.85
(ii) Diluted		25.50	22.85
Significant Accounting Policies	1		

The notes are an integral part of these financial statements.

As per our report of even date attached

For and on behalf of Board of Directors

For Karnavat & Co.

Chartered Accountants
Firm Regn.No. 104863W

Gunvant Singhi

Company Secretary cum
Finance Controller

Vinod Saraf

CEO & Managing Director
DIN : 00076708

Viral Joshi

Partner
Membership No. 137686

Nand Kishor Goyal

Chief Financial Officer

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

Place: Mumbai

Date: 14th May 2016

CASH FLOW STATEMENT

for the year ended 31st March, 2016

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
A. Cash flow from operating activities :		
Net profit before tax and extra ordinary item	18,655.71	17,349.68
Adjustments for :		
Depreciation	1,843.46	1,758.53
Amortisation	8.33	7.33
Loss /(Gain)on sale of fixed assets/assets discarded	6.39	31.78
Interest paid	325.24	486.64
Unrealised Foreign Exchange (Gain)/Loss (net)	302.12	163.26
Provisions for expenses and liabilities	768.37	(221.31)
Excess Liability written back	(49.19)	(3.19)
Interest Accrued income	(14.34)	(11.66)
Dividend Received	(440.96)	(332.28)
Gain /Loss on sale of Investment	(1.11)	(0.47)
Unrealised export incentives/Import entitlements	(918.15)	(442.13)
Operating profit before working capital changes	20,485.87	18,786.18
Adjustments for :		
Trade and other receivables	1,378.71	(1,098.24)
Inventories	979.58	(785.77)
Trade and other payables	(1,624.90)	(444.68)
Cash generated from operations	21,219.26	16,457.49
Direct taxes (including earlier years)	(4,469.89)	(5,201.97)
Cash flow before extra ordinary items	16,749.37	11,255.52
Extra ordinary items	-	-
Net cash generated from/(used in) operating activities	16,749.37	11,255.52
B. Cash flow from investing activities		
Fixed assets purchased, sold/discarded (net and excluding CWIP capitalised)	(7,322.53)	(4,219.34)
(Increase)/ Decrease in Capital Work-in-Progress (including capital advances)	(334.66)	(1,459.34)
Dividend received	440.96	332.28
(Purchase)/Sale of Investment (net)	1.11	0.47
Cash generated from investing activities	(7,215.12)	(5,345.93)
Tax deducted at source on interest income	(3.71)	(2.73)
Net cash generated from/(used in) investing activities	(7,218.83)	(5,348.66)
C. Cash flow from financing activities		
Receipt of long-term borrowings (net of repayment)	(2,398.90)	(4,194.55)
Receipt of short-term borrowings (net of repayment)	92.59	(1,054.76)
Adjustment for foreign exchange year end revaluation	(217.19)	(272.27)
Interest paid	(325.24)	(486.64)
Dividend paid	(1,805.69)	(1,202.98)
Tax on dividend	(367.60)	(251.73)
Net cash flow generated from/(used in) financing activities	(5,022.03)	(7,462.93)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	4,508.51	(1,556.07)
Cash and cash equivalents (opening balance)	2,714.39	4,270.46
Cash and cash equivalents (closing balance)	7,222.90	2,714.39

CASH FLOW STATEMENT

for the year ended 31st March, 2016

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Notes:		
1 Reconciliation of cash and cash equivalents		
As per Balance Sheet - Note No 16	7,222.90	2,714.39
Add: Foreign exchange loss on revaluation	-	-
As per cash flow statement	7,222.90	2,714.39
2 Cash and cash equivalents comprises of		
a. Cash in hand	2.25	2.55
b. Bank balance in current accounts	247.29	137.06
c. In fixed deposit account	6,973.36	2,574.78
	7,222.90	2,714.39
3. Balance in current account unavailable for utilisation on account of balance lying in unclaimed dividend account as it represents corresponding liability.	232.51	132.34
4. Previous year figures have been regrouped, wherever necessary to confirm to current year's classification.		

As per our report of even date attached

For and on behalf of Board of Directors

For Karnavat & Co.

Chartered Accountants
Firm Regn.No. 104863W

Gunvant Singhi

Company Secretary cum
Finance Controller

Vinod Saraf

CEO & Managing Director
DIN : 00076708

Viral Joshi

Partner
Membership No. 137686

Nand Kishor Goyal

Chief Financial Officer

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

Place: Mumbai

Date: 14th May 2016

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

1. Significant Accounting Policies

a) Nature of Operations:

The Company was established in 1989 and is engaged in manufacturing of speciality organic intermediates and monomers, namely IBB (Isobutyl Benzene), ATBS (2 Acrylamido 2Methylpropane Sulphonic Acid), NaATBS(Sodium Salt of 2 Acrylamido 2Methylpropane Sulphonic Acid, Diacetone Acrylamide, Isobutylene, HP-MTBE and TB Amine. The manufacturing facilities are located at Mahad and Lote Parashuram, Maharashtra.

b) Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

c) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognised:

(i) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these

are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) 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.

(iii) Cenvat/Value Added Tax/Service Tax:

Cenvat/Value Added Tax/Service Tax Benefit is accounted for by reducing the purchase cost of the materials/fixed assets and services wherever credit is eligible.

(iv) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(v) Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

e) 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.

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.

f) Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

g) Research & Development Expenditure

Expenditure on Research & Development is charged as expense in the year in which it is incurred.

h) Tangible Fixed Assets

- (i) All Fixed Assets are stated at cost (net of eligible credit/set off) less accumulated depreciation.
- (ii) Leasehold land is amortised equally on straight-line basis over the period of lease.
- (iii) All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalized.

i) Depreciation on Tangible Fixed Assets

The Company has worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. The carrying values have been depreciated over the remaining useful lives of the assets using Straight Line Method and the same is recognised in the Statement of Profit and Loss. Fixed assets whose written down value as at beginning of the year is less than 5% of the cost is not depreciated.

j) Intangible Assets

- (i) All intangible fixed assets are stated at cost (net of eligible credit/set off) less amortisation cost.

All costs including borrowing costs in accordance with the provision of Accounting Standard 16 - Borrowing Costs including exchange gain or loss on foreign currency loan to the extent considered as adjustment to interest cost utilised for the acquisition and installation of fixed assets, till commencement of commercial production, are capitalized.
- (ii) Technical Know-how fees is amortised pro-rata, on straight line basis over the estimated useful life of the asset which is estimated at 10 years.
- (iii) Licensed Software is amortised pro-rata, on straight line basis over the estimated useful life of the asset which is estimated at 6 years.

k) Impairment of Tangible and Intangible Assets:

The carrying amount of cash generating unit/assets are reviewed at Balance sheet date to determine whether there is any indication of impairment. If

any such indication exist, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

l) Foreign Currency Transactions and Balances

(i) Initial recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

m) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

n) Retirement and other employee benefits

(i) Retirement Benefits:

Contributions to the Provident Fund are made at a pre-determined rate and charged to the statement of Profit and Loss.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The liability so provided is represented substantially by creation of separate

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

fund and is considered sufficient to meet the liability as and when it accrues for payment in future.

(ii) Leave Encashment:

Provision for Leave encashment is made on estimates as at the year end and is charged to the statement of Profit and Loss.

o) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

p) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to

the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Income Taxes

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date or as on date of approval of Statement of Accounts whichever is later. The deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

s) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimates in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2. SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Authorised:		
7,50,00,000 (March 31, 2015: 7,50,00,000) Equity Shares of ₹2/- each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and Paid Up:		
5,15,91,025 (March 31, 2015: 5,15,91,025) Equity Shares of ₹2 each (Fully Paid up)	1,031.82	1,031.82
Total	1,031.82	1,031.82

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Nos	₹ In Lacs	Nos	₹ In Lacs
Equity Shares:				
(Face value of ₹2 each fully paid-up)				
At the beginning of the period	51,591,025	1,031.82	49,372,500	987.45
Add: Issued during the year	-	-	2,218,525	44.37
Outstanding at the end of year	51,591,025	1,031.82	51,591,025	1,031.82

b) Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend except interim dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in its meeting of March 14, 2016,

declared an interim dividend of ₹3.50/- (Previous year: Rs. Nil) per Equity Share. Further, the Boards of Directors proposed a final dividend of ₹0.50/- (Previous year: ₹3.50/-) per Equity Share to equity shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% share in the company

Equity Shares:

Face Value of Rs.2 each fully paid

Name of Shareholders	Year ended 31st March, 2016		Year ended 31st March, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinod Saraf	6,973,550	13.52	6,973,550	13.52
Kavita Saraf	6,228,000	12.07	6,228,000	12.07
Suchir Chemicals Pvt. Ltd.	22,971,435	44.53	22,940,435	44.47

3 RESERVES & SURPLUS

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
(i) Capital Reserve	30.40	30.40
(ii) Share premium account	3,001.88	3,001.88
(iii) General Reserve		
Balance as at the beginning of the year	4,632.00	3,442.00
Add: Amount transferred from Surplus balance	1,350.00	1,190.00
Balance as at the end of the year	5,982.00	4,632.00
(iv) Surplus in statement of profit and loss		
Balance as at the beginning of the year	34,708.47	26,547.52
Profit for the year	13,157.18	11,579.40
Less: Adjustment on account of depreciation as per Schedule II of Companies Act, 2013	-	(55.17)
Less: Appropriation		
Interim dividend on Equity Share for the year	1,805.68	-
Proposed dividend on Equity Share for the year	257.96	1,805.68
Dividend distribution tax	420.11	367.60
Transfer to general reserve	1,350.00	1,190.00
Total appropriation	3,833.75	3,363.28
Balance as at the end of the year	44,031.90	34,708.47
Total Reserves and surplus	53,046.18	42,372.75

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

4 LONG TERM BORROWINGS

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Term Loans		
Secured (Refer note no. 4 (a))		
Foreign Currency loan from banks	1,755.89	2,915.32
Foreign Currency loan (ECB) from IFC	2,186.58	3,442.45
	3,942.47	6,357.77
Less: Current maturities of secured loans shown in other current liabilities (Refer Note No.8)	(2,617.27)	(2,633.67)
Total	1,325.20	3,724.10

Note 4 (a):

(a) Nature of Security for Secured Loan from:

IFC (ECB):

Term Loan from International Finance Corporation (IFC) is secured by first Pari Passu charge on all Fixed assets of the Company -immovable and movable (present and future) (excluding the office premises located at Parinee Crescenzo, Bandra Kurla Complex) and second pari passu charge on all the Current Assets and unconditional and personal irrevocable guarantee of Managing Director Mr. Vinod Saraf.

SBI (ECB):

Term Loan from State Bank of India (SBI) is secured by first Pari Passu charge on all Fixed assets of the Company -immovable and movable (present and future) (excluding the office premises located at Parinee Crescenzo, Bandra Kurla Complex) and second pari passu charge on all the Current Assets and unconditional and personal irrevocable guarantee of Managing Director Mr. Vinod Saraf.

Citibank (FCNR):

First Pari-passu charge on the movable fixed assets of the company located at Lote and Mahad (present & future) & personal guarantee of Managing Director Mr. Vinod Saraf. Loan has been fully paid during the year.

(b) Rate of Interest:

- (i) IFC (ECB): ECB carries interest of 240 bps + six months libor.
- (ii) SBI (ECB): ECB carries interest of 280 bps + six months libor.
- (iii) Citi Bank (FCNR): Foreign Currency loan carried interest of 445 bps.

(c) Terms of Repayment:

- (i) IFC ECB: Repayable in 10 half yearly equal instalments from December 2012 to June 2017.
- (ii) SBI ECB: Repayable in 9 half yearly equal instalments from September 2013 to September 2017.
- (iii) Citibank FCNR: Repayable in 9 quarterly equal instalments from June 2013 to June 2015.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

5 DEFERRED TAX LIABILITY (NET)

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
The break up of net deferred tax liability is as under: (Disclosure as per AS 22)	Deferred Tax Assets/ (Liability)	Deferred Tax Assets/ (Liability)
Timing difference on account of:		
Depreciation	(4,978.39)	(3,949.57)
Disallowances u/s 43B of the Income-tax Act, 1961	56.04	52.16
Net Deferred Tax Liability	(4,922.35)	(3,897.41)
Less: Adjustment on account of depreciation as per Schedule II of Companies Act, 2013	-	28.40
Less: Net Deferred Tax Liability at beginning of the year	(3,897.41)	(3,314.62)
Less: Adjustment for Change in Opening WDV of Fixed Assets as per Income Tax Act, 1961	(314.05)	-
Net Deferred Tax Charged to statement of Profit and Loss	(710.89)	(611.19)

6 SHORT TERM BORROWINGS

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Secured		
Working Capital Advances From Banks (Refer Note No.6(a))	264.35	171.77
Total	264.35	171.77

Note 6 (a):

(a) Nature of Security for Secured Loan from:

Banks:

Hypothecation of inventories, all the present and future book debts and other receivables, first charge on all present and future fixed assets situated at Mahad works and residential building at Mahad and second charge on all fixed assets situated at Lote works and office premises located at Mumbai and personal guarantee of Managing Director, Mr. Vinod Saraf.

(b) Rate of interest:

(i) Working Capital Advances From Banks

Foreign Currency loan carries interest ranging from 175 bps to 225 bps + 3/6 months libor. Rupee Loan carries interest ranging from 9.75% to 11.25%.

(c) Terms of repayment:

Repayable on demand.

7 TRADE PAYABLES

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Due to Micro, Small and Medium Enterprises	12.15	-
Due to Other Enterprises	2,222.11	2,152.02
Total	2,234.26	2,152.02

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

8 OTHER CURRENT LIABILITIES:

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long term borrowings (Refer Note No.4)	2,617.27	2,633.67
Interest accrued but not due on borrowings	22.07	35.12
Unpaid Dividend*	232.51	132.34
Others payables	1,711.51	1,071.20
Advances from customers	25.78	53.76
TDS payable	58.46	58.31
Sundry Deposits	36.85	29.45
Total	4,704.45	4,013.85

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the end of reporting date.

9 SHORT TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Provisions for employee benefits:		
Ex-gratia	184.31	193.67
Leave Travel Allowances & Medical	14.49	21.43
Gratuity (Funded)	41.66	16.62
Leave Encashment	161.94	150.72
Others		
Proposed equity dividend	257.96	1,805.68
Provision for tax on proposed equity dividend	52.51	367.60
Income Tax Provision (Net of deposits) (Refer Note No. 9(a))	454.43	-
Total	1,167.30	2,555.72
Note 9 (a)		
Provision for Income Tax (Net of Income Tax Deposits)		
Provision for Income Tax	5,298.14	5,144.95
Less : Income Tax Deposits	(4,843.71)	(5,204.70)
	454.43	(59.75)

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Notes forming part of accounts

10 FIXED ASSETS

Particulars	As at 31st March, 2015	Gross Block		Upto 31st March, 2015	Depreciation		Upto 31st March, 2016	Net Block		(₹ in Lacs)
		Additions during the Year	Deductions/ Adjustments during the Year		Depreciation for the Year	Adjustments /Written Back		As at 31st March, 2016	As at 31st March, 2015	
TANGIBLE ASSETS										
Leasehold Land	769.54	8.79	8.33	-	-	-	-	770.00	769.54	
Buildings	11,897.34	2,856.19	-	1,203.29	321.69	-	1,524.98	13,228.55	10,694.05	
Plant & Machinery	26,568.23	4,419.31	1775	6,560.20	1,295.69	7.06	7,848.83	23,120.96	20,008.03	
Furniture & Fixtures	502.12	15.21	-	168.90	45.14	-	214.04	303.29	333.22	
Office Equipments	50.18	0.73	-	18.02	10.70	-	28.72	22.19	32.16	
Computers	120.52	6.15	1.95	90.60	11.81	1.86	100.55	24.17	29.92	
Air Conditioners	82.32	7.63	0.22	50.19	11.45	0.16	61.48	28.25	32.13	
Vehicles	289.22	10.54	19.97	114.30	36.31	18.93	131.68	148.11	174.92	
SUB TOTAL (A)	40,279.47	7,324.55	48.22	8,205.50	1,732.79	28.01	9,910.28	37,645.52	32,073.97	
INTANGIBLE ASSETS										
Technical Know How										
Fees	770.80	-	-	236.48	80.83	-	317.31	453.49	534.32	
Licensed Softwares	178.19	3.46	-	61.34	29.84	-	91.18	90.47	116.85	
SUB TOTAL (B)	948.99	3.46	-	297.82	110.67	-	408.49	543.96	651.17	
GRAND TOTAL (A+B)	41,228.46	7,328.01	48.22	8,503.32	1,843.46	28.01	10,318.77	38,189.48	32,725.14	
Previous Year	37106.73	4,207.28	85.55	6,687.95	1,758.53	56.84	8,503.32	32,725.14	-	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

11 LONG TERM LOANS & ADVANCES

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Capital Advances		
Unsecured, considered good	603.69	750.18
Security Deposits		
Unsecured, considered good	46.26	14.08
Sundry Deposits		
Unsecured, considered good	5.71	0.97
Prepaid Expenses	-	150.00
Others		
Income Tax Refund Receivable	892.35	68.95
Income Tax Deposits (Net of provision for taxation) (Refer Note No. 9(a))	-	59.75
Total	1,548.01	1,043.93

12 OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Fixed Deposits having original maturity of more than 12 months (Deposit against Margin Money Rs.185.48 (31st March, 2015 : Rs.63.54))	198.10	75.20
Total	198.10	75.20

13 CURRENT INVESTMENT (Valued at lower of cost or market value)

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Unquoted, Non-Trade		
In Mutual fund units		
i) 804527.011 Units (31st March, 2015 - 804527.011) Mutual Fund Units of L&T Triple Ace Bond Fund-Bonus	98.86	98.86
ii) 1690674.241 Units (31st March, 2015 - 1690674.241) Mutual Fund Units of Sundaram select Debt ST Asset Plan Bonus	175.00	175.00
Total	273.86	273.86
Aggregate amount of Unquoted Investment	273.86	273.86

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

14 INVENTORIES (AS CERTIFIED BY THE MANAGEMENT) (Valued at lower of cost or net realizable value)

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Raw Materials- Refer note 14(a)		
[Includes in transit Rs.244.17 (March 31, 2015 - Rs. 616.72)]	887.27	1,535.83
Stock In Process	1,199.25	1,052.79
Finished Goods - Refer note 14(b)	1,041.92	1,328.11
Stores, Spares & other consumables	1,341.19	1,532.48
Total	4,469.63	5,449.21
Note 14(a)		
Details of Inventory of Raw Materials:		
Toluene	373.11	386.85
Propylene	72.26	104.62
Acrylonitrile	74.45	136.78
MTBE	153.71	509.35
Others	213.74	398.23
	887.27	1,535.83
Note 14(b)		
Details of Inventory of Finished Goods:		
Isobutyl Benzene (IBB)	76.60	173.38
2-Acrylamido-2-Methyl Propane Sulfonic Acid (ATBS)	344.19	615.66
Sodium Salt of 2-Acrylamido-2-Methyl Propane Sulfonic Acid (NaATBS)	144.63	88.65
Isobutylene (IB)	180.26	172.35
Others	296.24	278.07
	1,041.92	1,328.11

15 TRADE RECEIVABLES

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered Good:		
Outstanding for a period exceeding six months from the due date of payment	12.73	0.52
Others	11,469.52	12,909.05
Total	11,482.25	12,909.57

16 CASH AND BANK BALANCES

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash equivalent		
Cash in Hand	2.25	2.55
Balance with Banks :		
In Current Accounts	14.78	4.72
In unpaid Dividend Account	232.51	132.34
In Fixed Deposit Account with original maturity less than 3 months	6,950.00	2,500.00
Other Bank balances:		
In Fixed Deposit Account with original maturity of more than 3 months but less than 12 months (Deposit against Margin Money Rs.2.00 (31st March, 2015 : Rs.74.78))	23.36	74.78
Total	7,222.90	2,714.39

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

17 SHORT TERM LOANS AND ADVANCES

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Advances recoverable in cash or kind		
Unsecured, considered good	2,154.13	1,903.49
Loans to Employees	4.85	7.49
Prepaid Expenses	59.66	41.34
Other Loans and Advances		
Advances to suppliers	467.95	516.39
Total	2,686.59	2,468.71

18 OTHER CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Current Maturity of Fixed Deposits having original maturity of more than 12 months (Deposit against Margin Money Rs.127.68 (31st March, 2015 : Rs.227.87))	127.68	245.87
Interest accrued on Fixed Deposits	14.34	11.66
Total	142.02	257.53

19 REVENUE FROM OPERATIONS

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Sale of products [Refer Note No.19 (a)]		
Gross Sales	61,763.26	81,791.87
Less : Inter Unit Transfer	130.64	233.63
	61,632.62	81,558.24
Less : Excise Duty	3,811.22	5,661.20
Net Sales Total (i)	57,821.40	75,897.04
(ii) Other Operating Revenue		
Scrap Sales	53.15	32.62
Export Benefits/Import Entitlements	4,518.02	701.37
Exchange Fluctuation Difference	702.23	541.53
Total (ii)	5,273.40	1,275.52
Revenue from Operations (Net)-(i)+(ii)	63,094.80	77,172.56
Note 19(a)		
Details of sales of products (Net of Excise)		
Isobutyl Benzene (IBB)	17,819.02	23,218.78
2-Acrylamido-2-Methyl Propane Sulfonic Acid (ATBS)	15,079.29	23,488.47
Sodium Salt of 2-Acrylamido-2-Methyl Propane Sulfonic Acid (NaATBS)	11,702.68	11,505.21
Isobutylene (IB)	5,078.30	8,870.32
Others	8,142.11	8,814.26
	57,821.40	75,897.04

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

20 OTHER INCOME

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Income	50.27	55.68
Dividend Income from Current Investments	440.96	332.28
Profit on Sale of Current Investment	15.50	2.15
Cash Discount received	17.31	282.51
Miscellaneous Credit Balances Written Back	16.75	227.49
Liability No Longer Required Written Back	49.19	3.19
Miscellaneous receipts	25.82	11.17
Total	615.80	914.47

21 COST OF RAW MATERIAL CONSUMED [REFER NOTE NO. 21(A)]

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Stock	1,535.83	1,204.46
Add : Purchases	28,897.04	45,869.20
Less : Closing Stock	887.27	1,535.83
Total	29,545.60	45,537.83
Note No.21(a)		
Details of Raw Materials consumed:		
Toluene	6,447.77	9,559.14
Propylene	4,581.34	7,367.06
Acrylonitrile	5,439.86	8,923.64
MTBE	10,060.50	16,125.39
Others	3,016.13	3,562.60
	29,545.60	45,537.83

22 DECREASE/(INCREASE) IN STOCK

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
I) Finished Stock [Refer Note No.14 (b)]:		
Opening Stock	1,328.11	1,273.31
Less : Closing Stock	1,041.92	1,328.11
	286.19	(54.80)
Differential Excise Duty on Finished Stock	(65.04)	2.26
II) Process Stock [Refer Note No. 14] :	1,052.79	1,170.32
Opening Stock	1,199.24	1,052.79
Less : Closing Stock	(146.45)	117.53
Total	74.70	64.99

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

23 EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages & Allowances	3,194.24	2,846.70
Contribution to Provident & Other funds	202.99	186.58
Employees Welfare Expenses	100.16	85.03
Contribution to Gratuity fund	91.66	71.62
Total	3,589.05	3,189.93

24 FINANCE COSTS

	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest on:		
Term Loan	185.47	248.16
Others	161.84	273.60
Exchange difference to the extent considered as an adjustment to borrowing costs	342.67	344.92
Bank Charges	95.96	108.83
Total	785.94	975.51

25 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation of Tangible Assets	1,732.79	1,652.51
Amortization of Tangible Assets	8.33	7.33
Amortization of Intangible Assets	110.67	106.02
Total	1,851.79	1,765.86

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

26 OTHER EXPENSES

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Power & Fuel Charges	3,054.46	3,034.84
Water Charges	77.26	98.35
Stores, Spares & Other consumables	2,230.73	1,885.39
Repairs to:		
Plant & Machinery	264.76	197.64
Buildings	193.19	51.95
Repairs - Others	53.34	48.86
Wages to Contractual Labour	562.12	509.05
Other Operational Charges	20.01	18.34
Rent (Including Leave & Licence Fees)	2.26	3.83
Rates & Taxes	70.14	56.51
Insurance	106.47	91.01
Payment to Auditors [Refer Note No.26 (a)]	11.02	15.03
Director's Sitting Fees	9.77	4.20
Freight & Forwarding Charges	1,364.63	2,030.15
Selling Commission	110.87	144.76
Loss on sale/discarded of fixed assets	6.39	31.78
Other Expenses	1,060.13	930.04
Total	9,197.55	9,151.73

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Note 26 (a)		
i) Payment to Statutory Auditors		
As Auditor towards:		
Audit Fees	6.50	5.80
Tax Audit Fees	1.50	1.50
Limited review of Quarterly Results	1.50	1.35
In other capacity:		
Certification charges	0.50	0.42
Other matters	0.30	5.32
Reimbursement of expenses	0.12	0.14
	10.42	14.53
ii) Payment to Cost Auditors		
As Auditor towards		
Cost Audit Fees	0.60	0.50
	0.60	0.50
	11.02	15.03

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

27 DETAILS OF UNHEDGED FOREIGN CURRENCY AMOUNT

Unhedged foreign currency

Disclosure in accordance with announcement dated December 2, 2005 issued by the Council of the Institute of Chartered Accountants of India (ICAI) with respect to details of foreign currency balance not hedged:

Particulars							(₹ in Lacs)	
	2015-2016		2014-2015		2015-2016		2014-2015	
	USD	Rs.	USD	Rs.	EURO	Rs.	EURO	Rs.
Trade Receivable	124.24	8,232.08	147.09	9,206.54	1.96	148.13	2.04	137.68
Advance given to Vendors	-	-	-	-	0.50	37.63	0.54	36.18
Cash and Bank Balances	0.14	9.08	0.01	0.19	-	-	-	-
Trade Payables	9.69	642.34	5.05	315.83	-	-	-	-
Others Payable	17.18	1,138.64	5.06	316.62	1.74	131.02	0.03	2.10
Loan Taken	59.50	3,942.47	101.58	6,357.77	-	-	1.27	85.85

28 DISCLOSURES AS PER AS- 15 (REVISED) - EMPLOYEE BENEFITS

Gratuity and other post employment benefit plans - AS-15

The Company has a Defined Benefit Gratuity Plan. The Scheme is funded through the Company's own trust managed by the Insurance Company.

Assumptions	(₹ in Lacs)	
	31st March, 2016	31st March, 2015
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Interest/Discount Rate	7.77%	7.77%
Rate of increase in compensation	4.25%	4.25%
Rate of return (expected) on plan assets	8.00%	9.00%
Employee attrition rate (Past Service [PS])	PS:0 to 42: 5%	PS:0 to 42: 5%
Expected average remaining service	11.96	11.94
Changes in present value of obligations:		
PVO at the beginning of period	402.07	307.16
Interest cost	29.48	27.56
Current service cost	45.49	52.96
Past Service Cost - (vested/non vested benefits)	-	-
Benefits paid	(45.33)	(8.60)
Actuarial (gain)/loss on obligation	44.16	22.99
PVO at end of period	475.87	402.07
Amount recognised in the Balance Sheet as at the end of the year:		
Present Value of Defined Benefit Obligation	475.87	402.07
Fair Value of Plan Assets	434.20	385.45
Funded status - Surplus/(Deficit)	(41.66)	(16.62)
Net Asset/(Liability)	(41.66)	(16.62)
Expense recognized in the statement of Profit & Loss:		
Current service cost	45.49	52.96
Past Service Cost - (vested/non vested benefits)	-	-
Interest cost	29.48	27.56
Expected return on plan assets	(31.69)	(29.26)
Net actuarial (gain)/loss recognized for the period	48.38	20.36
Expense recognized in the statement of P & L A/c.	91.66	71.62

Note: The above figures are as certified by actuary and relied upon by auditor.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

29 SEGMENT INFORMATION- (AS-17)

The Company is engaged in manufacturing of Chemicals, which as per AS-17 is considered as the only reportable business segment.

30 RELATED PARTY DISCLOSURES- (AS-18)

Name of related parties and related party relationship:

a. Information about related parties:

Sr. No.	Particulars	Name of Related Party
1	Key Management Personnel	i) Mr. Vinod Saraf - Managing Director ii) Mrs. Vinati Saraf Mutreja - Executive Director iii) Mrs. Viral Saraf Mittal - Director (Corporate Strategy)
2	Relatives of Key Management Personnel	i) Mr. Sunil Saraf ii) Mr. Mohit Mutreja iii) Mrs. Kavita Saraf
3	Enterprises owned or significantly influenced by any management personnel or their relatives.	i) Viral Alkalis Limited ii) Suchir Chemicals Pvt. Ltd. iii) Nishit Pharma Chem Pvt. Ltd. iv) Pluspoint Securities Pvt. Ltd. v) Illuminati Software Pvt. Ltd. vi) Illuminati Trading Pvt. Ltd. vii) Alpha Grep Securities Pvt. Ltd. viii) Evolute Trading Pvt Ltd. ix) Vap Trading Pvt Ltd.

b. Information about related parties Transactions:

	2015-16	(₹ in Lacs) 2014-15
(i) Key Management Personnel:		
Managerial Remuneration		
Mr. Vinod Saraf	104.60	95.30
Mrs. Vinati Saraf Mutreja	79.51	71.71
Mrs. Viral Saraf Mittal	44.72	41.15
(ii) Relatives of Key Management Personnel:		
Sitting Fees		
Mr. Sunil Saraf	1.00	0.30
Mr. Mohit Mutreja	1.00	0.20
(iii) Enterprises owned or significantly influenced by any management personnel or their relatives:		
Sales - Viral Alkalis Ltd.	1.45	1.82

Note- The above related party relationship has been given by management and relied upon by the auditors

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

31 LEASES (AS-19)

Operating Lease: Company as Lessee

The company has entered into operating lease on Tankers and staff residences which normally have an life of 12 months and renewable every year at the option of the lessor and/or the lessee. There is no contingent rent. The lease rental charged to statement of profit and loss during the year is ₹53.24 lacs (Previous Year - ₹49.86 lacs).

32 EARNING PER SHARE (EPS) (AS-20)

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Profit after tax (Rs. In Lacs)	13,157.18	11,579.40
Weighted average number of shares outstanding at the year end (Nos.)	51,591,025	50,600,286
Basic earning per share (Rs.)	25.50	22.85
Diluted earning per share (Rs.)	25.50	22.85
Nominal value per share (Rs.)	2.00	2.00

Note:- There are no potential dilutive equity shares.

33 IMPAIRMENT OF ASSETS (AS-28)

Based on exercise of impairment of assets undertaken by the management in due cognizance of paragraphs 5 to 13 of Accounting standard -28, the Company has concluded that no impairment loss is required to be booked.

34 CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of:

- Counter Guarantees given by the Company in respect of guarantees issued / Letter of Credit established by banks on behalf of the company Rs. 3653.71 Lacs (Previous Year Rs.3307.13 Lacs).
- Disputed Excise duty demands of Rs. 113.49 (Previous Year Rs.198.18 Lacs) pertaining to various financial years for which company has gone in the appeal. Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- Disputed Income tax demands of Rs.51.43 Lacs (Previous Year Rs.51.43 Lacs) pertaining to various assessment years against which nothing paid. Based on judicial decisions and interpretations of other relevant provisions of the statute, the Company is hopeful of the demand likely to be either deleted or substantially reduced and accordingly no provision has been made.
- Disputed demand by The Tahasildar, Mahad for Royalty and Penalty on Sand/Metal of Rs.21.23 Lacs (Previous Year Rs. NIL). The Company had filed the Appeal to The Collector of Raigad, Alibag, and hopeful for the demand likely to be waived off, hence no provision has been made.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

35 CAPITAL AND OTHER COMMITMENTS

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Capital Commitments not provided for (net of advances)	4,155.20	4,809.73

36 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Raw Materials	7135.15	2,075.26
Components and Spare parts	39.93	30.86
Capital Goods	64.99	403.09

37 EXPENDITURE IN FOREIGN CURRENCY

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
i) Travelling expenditure	4.46	9.48
ii) Commission on sales	104.11	134.31
iii) Interest	196.88	252.75
iv) Others	403.87	47.31

38 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED:

Particulars	(₹ in Lacs)			
	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Rs. In Lacs	%	Rs. In Lacs	%
(a) Raw Materials				
Imported	7,473.66	25.30	2,154.33	4.73
Indigenously obtained	22,071.94	74.70	43,383.50	95.27
	29,545.60	100.00	45,537.83	100.00
(b) Spare parts				
Imported	35.60	1.60	16.08	0.85
Indigenously obtained	2,195.13	98.40	1,869.31	99.15
	2,230.73	100.00	1,885.39	100.00

39 EARNINGS IN FOREIGN CURRENCY

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Exports of goods calculated on F.O.B. Value	38,827.75	51,147.22

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

40 CAPITALIZATION OF EXPENDITURE

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP), Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Travelling Expenses	7.77	2.79
Interest {net of interest received/(paid)}	-	38.00
Exchange difference to the extent regarded as an adjustment to interest costs	-	107.56
Bank Charges	-	4.11
Legal & Professional charges	340.50	500.00
Insurance Charges	15.01	10.34
Testing Charges	0.25	0.11
Equipment Rent	-	1.21
	363.53	664.12

41 In the opinion of the Board of Directors, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the foregoing Balance Sheet and adequate provision for all known liabilities on the Company has been made.

42 PREVIOUS YEAR FIGURES

Figures of previous year have been reworked/regrouped/reclassified wherever necessary.

As per our report of even date attached

For and on behalf of Board of Directors

For Karnavat & Co.

Chartered Accountants
Firm Regn.No. 104863W

Gurvant Singhi

Company Secretary cum
Finance Controller

Vinod Saraf

CEO & Managing Director
DIN : 00076708

Viral Joshi

Partner
Membership No. 137686

Nand Kishor Goyal

Chief Financial Officer

Vinati Saraf Mutreja

Executive Director
DIN : 00079184

Place: Mumbai

Date: 14th May 2016

NOTICE

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING OF VINATI ORGANICS LIMITED (the "Company") will be held on Saturday, 6th August, 2016 at 12 Noon at the Registered Office of the Company, at B-12 & B-13/1, MIDC Industrial Area, Mahad 402 309, Dist. Raigad, Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016 and Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the schedules and notes attached thereto, alongwith the Reports of Directors' and Auditors' thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. Mohit Mutreja who retires by rotation at this meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Sunil Saraf who retires by rotation at this meeting and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To consider & recommend reappointment of Mr. Vinod Saraf as Managing Director for further period of 5 years:

In this connection Section 197(1) of the Companies Act, 2013, provides inter alia that the remuneration payable to the directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 198 either by the Articles of the company or by a resolution or if the Articles so require by a ordinary resolution passed by the company in General Meeting.

Considering his capabilities and rich experience to be beneficial for the company, the Board of Directors decided to recommend reappointment of Mr. Vinod

Saraf as Managing Director for further term of 5 years w. e. f. 1st November 2015 in the Board Meeting held on 1st August, 2015, on the terms and condition stated in the resolution as under:

"RESOLVED THAT approval of the company be and is hereby accorded to the reappointment of Mr. Vinod Saraf as Managing Director of the Company and whose present term as Managing Director of the Company expires on 31st October 2015, pursuant to Section 197, 198, 203 and Schedule V and other applicable provisions if any, of the Companies Act, 2013, for another term of 5 (Five) years commencing from 1st November 2015, on a remuneration of Rs.6,05,000/- (Rupees Six Lacs Five Thousand only) per month plus perquisites as under and that he shall not be liable to retire by rotation until he is occupying the position as Managing Director:-

PERQUISITES:

- i) **HOUSE:** - In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation, shall not exceed 60% of the salary, over and above 10% payable by Managing Director if posted in Mumbai, Kolkata, Delhi or Chennai or 50% if posted at any other place.

OR

HOUSE RENT ALLOWANCE: - @ 30% of the salary.

- ii) **MEDICAL REIMBURSEMENT:** - Expenses incurred by the Managing Director and his family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
- iii) **LEAVE TRAVEL CONCESSION:** - Reimbursement of expenses incurred for the Managing Director and his family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.
- iv) **CLUB FEES:** - Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) **GAS & ELECTRICITY CHARGES:** - Reimbursement of Gas & Electricity Charges incurred.
- vi) **PROVIDENT FUND:** - Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.

vii) GRATUITY:- It shall not exceed half a month's salary for each completed year of service.

viii) COMPANY CAR AND TELEPHONE: - Provision of Car for use of company's business and telephone at residence. Use of car and telephone for private purpose will be billed to him.

ix) PERSONAL ACCIDENT INSURANCE: - Premium not to exceed Rs.5,000/- per annum.

x) LEAVE AND LEAVE ENCASHMENT: - As per Company's rule and regulation applicable to the Senior Executives of the Company.

xi) There will be 10% increase from 1st April every year in salary and perquisites.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

Accordingly, this resolution has been proposed in terms of section 197 read with a Schedule V of The Companies Act, 2013.

The agreement between the Company and Mr. Vinod Saraf, providing the terms conditions of his appointment will be available for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To consider & recommend reappointment of Ms. Vinati Saraf Mutreja as Executive Director for further period of 5 years:

In this connection Section 197(1) of the Companies Act, 2013, provides inter alia that the remuneration payable to the directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 198 either by the Articles of the company or by a resolution or if the Articles so require by a ordinary resolution passed by the company in General Meeting.

Considering her capabilities and rich experience to be beneficial for the company, the Board of Directors decided to recommend reappointment of Ms. Vinati Saraf Mutreja as Executive Director for further term of 5 years w. e. f. 20th May 2016, in the Board Meeting held on 1st August, 2015, on the terms and condition stated in the resolution as under:

"RESOLVED THAT approval of the company be and is hereby accorded to the reappointment of Ms. Vinati Saraf Mutreja as Executive Director of the Company and whose present term as Executive Director of the Company will expire on 19th May 2016, pursuant to Section 197, 198, 203 and Schedule V and other applicable provisions if any, of the Companies Act, 2013, for another term of 5 (Five) years commencing from 20th May 2016, on a remuneration of Rs.423500/- (Rupees Four Lacs Twenty Three Thousand Five Hundred only) per month plus perquisites as under and that she shall not be liable to retire by rotation until she is occupying the position as Executive Director:-

PERQUISITES:

i) HOUSE: - In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation, shall not exceed 60% of the salary, over and above 10% payable by Executive Director if posted in Mumbai, Kolkata, Delhi or Chennai or 50% if posted at any other place.

OR

HOUSE RENT ALLOWANCE: - @ 30% of the salary.

ii) MEDICAL REIMBURSEMENT: - Expenses incurred by the Executive Director and her family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

iii) LEAVE TRAVEL CONCESSION: - Reimbursement of expenses incurred for the Executive Director and her family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.

iv) CLUB FEES: - Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

v) GAS & ELECTRICITY CHARGES: - Reimbursement of Gas & Electricity Charges incurred.

vi) PROVIDENT FUND: - Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.

vii) GRATUITY:- It shall not exceed half a month's salary for each completed year of service.

viii) COMPANY CAR AND TELEPHONE: - Provision of Car for use of company's business and telephone at residence. Use of car and telephone for private purpose will be billed to her.

ix) PERSONAL ACCIDENT INSURANCE: - Premium not to exceed Rs.5,000/- per annum.

x) LEAVE AND LEAVE ENCASHMENT: - As per Company's rule and regulation applicable to the Senior Executives of the Company.

xi) There will be 10% increase from 1st April every year in salary and perquisites.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and

things as they may in their absolute discretion deem necessary, expedient, usual and proper."

Accordingly, this resolution has been proposed in terms of section 197 read with a Schedule V of The Companies Act, 2013.

The agreement between the Company and Ms. Vinati Saraf Mutreja, providing the terms conditions of her appointment will be available for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

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

By order of the Board of Directors

Mumbai, 14th May 2016

Gunvant S. Singhi
Company Secretary cum Finance Controller

NOTES:

1. The Explanatory Statements pursuant to Section 102(2) of the Companies Act, 2013 relating to Special Business to be transacted at the Meeting at Item No. 6 & 7 are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint another person (whether a shareholder or not) as his/her proxy to attend and vote instead of himself/herself, but a proxy so appointed shall not have any right to speak at the meeting. The proxies in order to be effective must be duly signed and received at the registered office of the Company not less than 48 hours before the meeting.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.

The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 27th July, 2016 to Saturday, the 6th August, 2016 (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.

4. As per the provisions of the Act, facility for making nominations is available for the shareholders. The prescribed nomination form can be obtained from the Company's share department situated at Parinee Crescenzo, 1102, A Wing, 11th Floor, "G" Block, Plot No. C38 & C39, Behind MCA, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra.
5. Registrars and Transfer Agents:
The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Indl. Premises, Safed Pool, Andheri-Kurla Road, Mumbai – 400 072 as the Registrars and Transfer Agents ("R&TA") for all aspects of investor servicing relating to shares.
6. The Company's securities are listed at the Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra and The National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

The Annual Listing Fee as prescribed has been paid to the above stock exchanges.

7. An Interim Dividend of Rs.3.50/- per equity share of face value of Rs.2/- each was declared on March 14, 2016 and paid on March 18, 2016.

The Board of Directors recommended further dividend on equity shares 25% on the share capital of the Company i.e. Re.0.50 per Equity Share of face value of Rs.2/- each for the year ended 31st March 2016, if declared at the forthcoming Annual General meeting, will be made payable on or after 7th August 2016 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 27th July, 2016 or those, whose names appear as beneficial owners as at the end of business on 27th July, 2016 as per lists to be furnished by the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.

Shareholders are hereby informed that pursuant to Section 125 and Section 124(5) of the Companies Act, 2013, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund (the "Fund") established by the Central Government. It may be noted that, no claim shall lie against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the date it became first due for payment and no payment shall be made in respect of any such claim.

8. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2008-2009 & 2009-2010 (Interim) and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Fund. Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2008-2009 & 2009-2010 (Interim) are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the R&TA on or before 29th September, 2016 & 4th November, 2016 respectively, failing which the unpaid/unclaimed amount will be transferred to the Fund as above, no claim shall lie against the Company or the Fund in respect of such amount by the Member.

9. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated 23rd July, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend.

In terms of the Circular, the company has uploaded the details of unpaid and unclaimed dividend. The same can be viewed on www.mca.gov.in.

Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.

10. a) Members are advised to avail of the facility for receipt of dividend through Electronic Clearing Service (ECS). The ECS facility is available at specified locations. Members holding shares in electronic form are requested to contact their respective DPs for availing ECS facility. Members holding shares in physical form are requested to download the ECS form from the website of the Company viz. www.vinatiorganics.com 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

11. Depository System:

The Company has entered into agreements with NSDL and CSDL. The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository system offers several advantages like exemption from stamp duty, elimination

of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

Members, therefore now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CSDL. Members are encouraged to convert their holdings to electronic mode.

12. Re-appointment of Directors:

Section 152 of the Companies Act, 2013, provides inter alia that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company, or a private company which is a subsidiary of a public company, shall (a) be persons whose period of office is liable to determination by retirement of directors by rotation; and (b) save as otherwise expressly provided in the Act, be appointed by the Company in the general meeting.

13. Accordingly at the ensuing Annual General Meeting, Mr. Mr. Mohit Mutreja and Sunil Saraf, retiring by rotation and being eligible offer themselves for re-appointment. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange is furnished in the statement on Corporate Governance published in this Annual Report.

Details of Directors seeking re-appointment:

Particulars	Mr. Mohit Mutreja	Mr. Sunil Saraf
Date of Birth	09.08.1982	14.02.1966
Date of Appointment	19.05.2009	15.06.1989
Qualifications	- Bachelors in Science in Economics (Finance) from the Wharton School, University of Pennsylvania - Bachelors of Science in Computer Engineering from the School of Engineering and Applied Sciences. 10 year experience in financial services and Risk management.	B. Com.
Directorships held in other public Company	NIL	1. Viral Alkalys Ltd.
Memberships / Chairman of committees of other public companies	NIL	1. Viral Alkalys Ltd.

Mr. Vinod Saraf, Ms. Vinati Saraf Mutreja and Ms. Viral Saraf Mittal are interested in the appointment of Mr. Mohit Mutreja and Sunil Saraf.

14. The Annual Report of the Company for the year 2015-2016, circulated to the Members of the Company, is available on the Company's website viz. www.vinatiorganics.com. The Company does not have Subsidiary Company.
15. In terms of Circulars issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares.
16. MCA, Government of India, through its Circulars Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiatives in corporate governance.
17. A recent amendment to the Listing Agreement with the stock exchange also permits sending the aforesaid documents through electronic mode to Members who have registered their email address with the Company for this purpose.
18. The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA. A 'Green Initiative' Form can be downloaded from the Company's website viz. www.vinatiorganics.com to register the email id.
19. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies

(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 27th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by Central Depository Services Limited (CDSL).

The facility for voting through ballot paper shall be made available at the 27th AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for voting electronically are enclosed and also details of which shall be uploaded on the website of the Company.

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

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

By order of the Board of Directors

Mumbai, 14th May 2016

Gunvant S. Singhi
Company Secretary cum Finance Controller

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 RELATING TO FOLLOWING SPECIAL BUSINESS AS MENTIONED AT FOLLOWING ITEMS:

Item No. 6

Mr. Vinod Saraf was re-appointed as Managing Director of the Company for a period from 1st November 2010 to 31st October 2015 on the terms and conditions and remuneration approved by the members at the 22nd Annual General Meeting of the Company held on 30th July 2011.

Considering his capabilities and rich experience to be beneficial for the Company, the Board of Directors in its meeting held on 1st August 2015, decided to recommend re-appointment of Mr. Vinod Saraf as Managing Director for further term of 5 years w. e. f. 1st November 2015, on the terms and condition stated in the resolution appearing under special business.

In this connection Section 102(2) of the Companies Act, 2013 provides inter alia that the remuneration payable to the Directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 197 either by the Articles of the company or by a resolution or if the Articles so require by a Special Resolution passed by the company in General Meeting. Accordingly, this resolution has been proposed in terms of Section 309 read with Schedule XIII of the Act.

The agreement between the Company and Mr. Vinod Saraf providing the terms and conditions of his re-appointment is available for inspection by the members at the Registered Office of the Company on any working day between 11 a.m. and 1.00 p.m.

Except Ms. Vinati Saraf Mutreja, Ms. Viral Saraf Mittal, Mr. Mohit Mutreja and Mr. Sunil Saraf (being relatives) no other Director is interested in this resolution.

The Board recommends the Resolution of the Notice for acceptance by the members.

Mr. Vinod Saraf is concerned or interested in the resolution.

The Board recommends passing of the ordinary resolution.

None of the Director is interested or concerned in the resolution, except to the extent of their future probable option entitlements.

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

Mumbai, 14th May 2016

Item No. 7

Ms. Vinati Saraf Mutreja was re-appointed as Executive Director of the Company for a period from 20th May 2011 to 19th May 2016 on the terms and conditions and remuneration approved by the members at the 23rd Annual General Meeting of the Company held on 1st September 2012.

Considering her capabilities and rich experience to be beneficial for the Company, the Board of Directors in its meeting held on 1st August 2015, decided to recommend re-appointment of Ms. Vinati Saraf Mutreja as Executive Director for further term of 5 years w. e. f. 20th May 2016, on the terms and condition stated in the resolution appearing under special business.

In this connection Section 102(2) of the Companies Act, 2013 provides inter alia that the remuneration payable to the Directors of the Company including any Managing Director or Whole Time Director shall be determined in accordance with and subject to the provisions of Section 197 either by the Articles of the company or by a resolution or if the Articles so require by a Special Resolution passed by the company in General Meeting. Accordingly, this resolution has been proposed in terms of Section 309 read with Schedule XIII of the Act.

The agreement between the Company and Ms. Vinati Saraf Mutreja providing the terms and conditions of her re-appointment is available for inspection by the members at the Registered Office of the Company on any working day between 11 a.m. and 1.00 p.m.

Except Mr. Vinod Saraf, Ms. Viral Saraf Mittal, Mr. Mohit Mutreja and Mr. Sunil Saraf (being relatives) no other Director is interested in this resolution.

The Board recommends the resolution of the Notice for acceptance by the members.

Ms. Vinati Saraf Mutreja is concerned or interested in the resolution.

The Board recommends passing of the ordinary resolution.

None of the Director is interested or concerned in the resolution, except to the extent of their future probable option entitlements.

By order of the Board of Directors

Gunvant S. Singhi
Company Secretary cum Finance Controller



Vinati Organics Limited

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

CIN: L24116MH1989PLC052224, Tel No.: 022-61240444/428, Fax No.: 022-61240438

Email : shares@vinatiorganics.com, Website : www.vinatiorganics.com

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/Folio No. in the dividend Bank details field as mentioned in instruction (iv) .

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant VINATI ORGANICS LIMITED on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case of members receiving the physical copy:
- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
 - (B) The voting period begins on 03.08.2016 at 9.00 a.m. and ends on 05.08.2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30.07.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.



Form No. SH-13 Nomination Form

Annexure I

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]

To,
Vinati Organics Limited
B-12 & B-13/1,
MIDC Industrial Area,
Dist. Raigad, Mahad – 402 309,
Maharashtra, India.

I/We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S –

(a) Name:	(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:	
(d) Occupation:	(e) Nationality:
(f) Address:	
(g) E-mail id:	
(h) Relationship with the security holder:	

(3) IN CASE NOMINEE IS A MINOR

(a) Date of birth:	(b) Date of attaining majority:
(c) Name of guardian:	
(d) Address of guardian:	

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

(a) Name:	(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:	(d) Occupation:
(e) Nationality:	
(f) Address:	
(g) E-mail id:	
(h) Relationship with the security holder:	
(i) Relationship with the minor nominee	

Name:_____

Address:_____

Name of the Security Holder(s):_____

Signature:_____

Witness with name and address:_____



Vinati Organics Limited

Annexure II

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

BALLOT FORM

- 1) Name of the first named Shareholder (In block letters) :
- 2) Name(s) of the Joint Holder(s),
if any :
- 3) Postal Address :
- 4) Registered Folio No. / Client ID No.*
(*Applicable to investors holding Shares in dematerialized form) :
- 5) No. of Shares :

I/we hereby exercise my/our vote(s) in respect of the Ordinary Resolutions enumerated below by recording, my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Sr. No	Particulars	Type of Resolution	No. of shares held	FOR I/We assent to the resolution	AGAINST I/We dissent to the resolution
1.	Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2016 together with the reports of the Board of Directors and Auditors' thereon	Ordinary			
2.	Declaration of final dividend on equity shares	Ordinary			
3.	Re-appointment of Mr. Mohit Mutreja (DIN: 02666018) as a Director of the Company	Ordinary			
4.	Re-appointment of Mr. Sunil Saraf (DIN: 00076887) as a Director of the Company	Ordinary			
5.	Appointment of M/s. Karnavat & Company, Chartered Accountants as the Statutory Auditor of the Company to hold office from the conclusion of this AGM till the conclusion of the next AGM and fixing their remuneration	Ordinary			
6.	Re-appointment of Mr. Vinod Saraf (DIN: 00076708) as Managing Director of the Company	Ordinary			
7.	Re-appointment of Ms. Vinati Saraf Mutreja (DIN: 00079184) as Executive Director of the Company	Ordinary			

Place :

Date :

(Signature of the Shareholder)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. This Ballot form is provided for the benefit of members who do not have access to remote e-voting facility.
2. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid.
3. For detailed instructions on remote e-voting, please refer to the remote e-voting Notice.
4. The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through ballot to declare the final result for each of the Resolutions forming part of the Notice convening the AGM of the Company.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM

- a. Voting rights are reckoned on the basis of the shares registered in the names of the Members/ Beneficial Owners as on 01.07.2016.
- b. Please complete and sign the Ballot form and return the form in the self-addressed business reply envelope so as to reach the scrutinizer appointed by the Board of Directors of the Company on or before 05.08.2016 (5.00 p.m.) at the following address:

M/s. VKM & Associates,
Scrutinizer,
Vinati Organics Limited,
Parinee Crescenzo, 1102, 'A' Wing,
11th Floor, Plot No. C-38 & C-39, 'G' Block,
Behind MCA, Bandra-Kurla Complex,
Bandra (East), Mumbai 400051.
- c. The form should be signed by the member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the form should be completed and signed by the

first named member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.

- d. In case the shares are held by companies, trusts, societies, etc., the duly completed Ballot form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.
- e. A member may request for a duplicate Ballot form, if so required. However, duly filled in and signed duplicate form should reach the scrutinizer not later than the date and time specified in serial no.(b) above.
- f. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. The form will also be rejected, if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- g. The decision of the Scrutinizer on the validity of the Ballot form and any other related matter shall be final.
- h. The results declared alongwith Scrutinizer's Report shall be placed on the Company's website www.vinatiorganics.com and on the website of the Central Depository Services Limited <https://www.evotingindia.com> within three (3) days of the passing of the Resolutions at the AGM of the Company to be held on 6th August, 2016 and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.



Vinati Organics Limited

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

CIN: L24116MH1989PLC052224, Tel No.: 022-61240444/428, Fax No.: 022-61240438

Email : shares@vinatiorganics.com, Website : www.vinatiorganics.com

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19(3) of the Companies
(Management & Administration) Rules, 2014]

Name of the Member(s):_____

Registered address:_____

E-mail Id:_____

Folio No. / Client ID:_____

DP ID:_____

I/ We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name:_____

Address:_____

E-mail Id: _____ or failing him;

(2) Name:_____

Address:_____

E-mail Id: _____ or failing him;

(3) Name:_____

Address:_____

E-mail Id: _____ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/us and on my/belhalf at the 27th Annual General Meeting of the Company to be held on Saturday, 6th August, 2016 at 12.00 noon at Registered Office of the Company at B-12 & B-13/1, MIDC Industrial Area, Dist. Raigad, Mahad – 402 309, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	For	Against
1.	ORDINARY BUSINESS: Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2016 together with the reports of the Board of Directors and Auditors' thereon		
2.	Declaration of final dividend on equity shares		
3.	Re-appointment of Mr. Mohit Mutreja (DIN: 02666018) as a Director of the Company		
4.	Re-appointment of Mr. Sunil Saraf (DIN: 00076887) as a Director of the Company		
5.	Appointment of M/s. Karnavat & Company, Chartered Accountants as the Statutory Auditor of the Company to hold office from the conclusion of this AGM till the conclusion of the next AGM and fixing their remuneration.		
6.	SPECIAL BUSINESS: Re-appointment of Mr. Vinod Saraf (DIN: 00076708) as Managing Director of the Company		
7.	Re-appointment of Ms. Vinati Saraf Mutreja (DIN: 00079184) as Executive Director of the Company		

Signed this _____ day of _____ 2016

Signature of the Shareholder _____

Affix
Revenue
Stamp

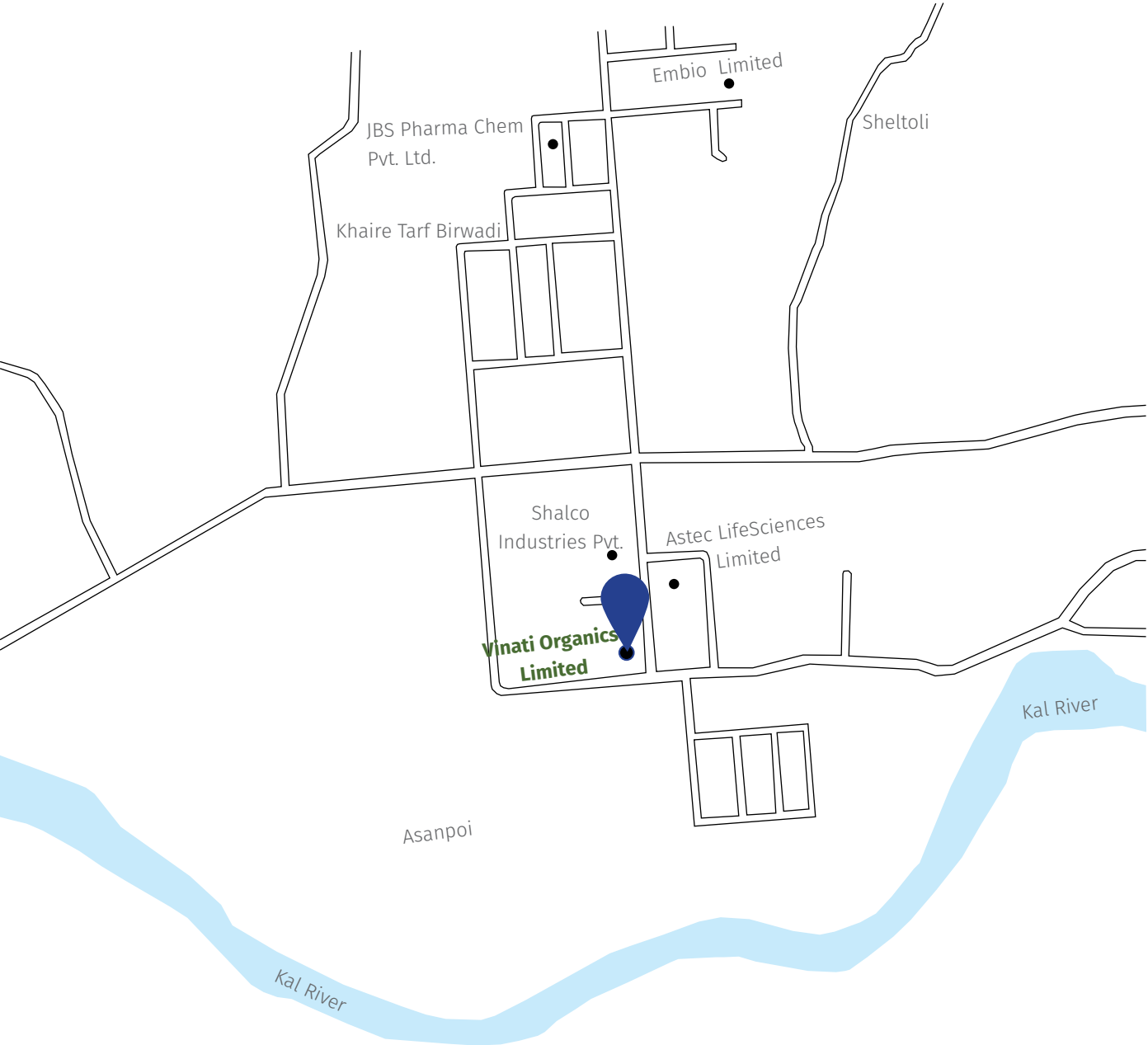
Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map to the AGM Venue





Vinati Organics Limited

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