



VINATI ORGANICS LIMITED



**DELIVERING SUSTAINABLE CHEMISTRY.  
CONSISTENTLY.**

## Forward-looking statements

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 realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, 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.

## Inside this report

### Company Overview 1 – 20

Corporate Snapshot	2
Our Reach	4
Financial Performance	6
Message from Managing Director and CEO	8
Product Portfolio	16
Our Competencies	18
Our Business Model	19
Creating Social Value	20

### Statutory Reports 21 – 67

Directors’ Report	22
Corporate Governance Report	34
Management Discussion and Analysis	46

### Financial Statements 68 – 94

Independent Auditors’ Report	68
Balance Sheet	72
Statement of Profit and Loss	73
Cash Flow Statement	74
Notes to Financial Statements	76
Notice	95



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[www.vinatiorganics.com](http://www.vinatiorganics.com)

At Vinati Organics Limited, we considered green manufacturing of sustainable chemistry as a part of our DNA.

We continued to live by this philosophy during FY 2014-15. Our pursuit of sustainable chemistry has continually represented the reason for our positive performance over time.

We identified, reinforced and leveraged our core strengths – people, planet and profitability; reflected in our performance even in the face of an extremely challenging macro-environment.

We delivered sustainable chemistry to stakeholders.

Consistently.



## COMMITTED TO SUSTAINABLE VALUE CREATION

Vinati Organics Limited (VOL) was founded in 1989 by Mr. Vinod Saraf and at present headed by him as the Managing Director with an able team of industry specialists. Headquartered in Maharashtra, India, the Company operates two manufacturing plants located at Lote and Mahad and a distribution reach in over 25 countries. The Company's shares are listed and regularly traded on the apex stock exchanges of India, the National and Bombay Stock Exchanges. As on 31 March, 2015, the Company recorded a market capitalization of ₹ 2,71,240 Lacs and a promoter's share-holding of 72%.

**At VOL, experience and expertise is what we count on.**

Our processes, technologies, intellect and products are aligned with the unified focus to build a model of sustainable chemistry. This chemistry, for us is balancing between consistent innovation of processes and products to create incremental value, while simultaneously being sensitive to the environment.

### Our Vision

Our vision is to be a global leader in manufacturing niche speciality products through the adoption of eco-friendly technologies.

## Our Mission

Being among the frontrunners in the Indian chemical industry, our mission is to:

- 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. This will enable us to achieve greater cost efficiencies, develop stronger stakeholder relationships and build competitive advantages

## Our Credentials

- We engage in the business of manufacturing speciality chemicals in India and marketing them worldwide.
- We are the world’s largest manufacturer of Isobutyl Benzene (IBB) and 2-Acrylamido 2-Methylpropane Sulfonic Acid (ATBS).
- We are the only backward integrated ATBS manufacturer in the world.
- We are the largest Isobutylene (IB) manufacturer in India.
- We are the largest manufacturer of High Purity Methyl Tertiary Butyl Ether (HP MTBE) in India.
- We have our export footprints across six continents and 25 markets including markets in the US, Europe and Asia.

## Our Facilities

	Plant 1	Plant 2
Location	Mahad–Raigad, Maharashtra	Lote–Ratnagiri, Maharashtra
Products manufactured	IBB, NBB	ATBS, NaATBS, TBA, IB, HPMTBE, DAAM
Technical knowhow	Institut Francais du Petrole (IFP) France	National Chemical Laboratories (NCL), Pune (for ATBS)
Certification	ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007	ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007

# OUR REACH

We have taken our products overseas to 25 countries, while catering to domestic industrial chemical demands. Our prime markets include United States, Europe and Asia. During FY 2014-15, 68% of the Company's revenues accrued from exports.

**65%**

Global IBB market share held by VOL

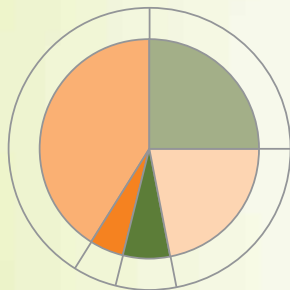
**70%**

Domestic IB market share held by VOL

**45%+**

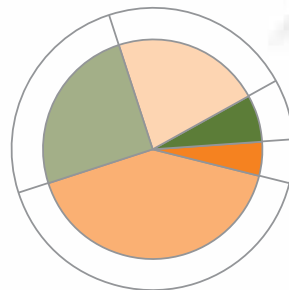
Global ATBS market share held by VOL

Contribution to total revenue (%)



IBB	31
ATBS	46
IB	12
HPMTBE	4
Others	8

International-domestic sales ratio (%)



IBB	74-26
ATBS	95-5
IB	0-100
HPMTBE	21-79
Others	16-84

## Our Recognitions



- VOL was awarded Supplier of the Year by BASF
- VOL was ranked among the Fastest Growing Companies in India Outlook Business in May 2014
- Certificate of Merit for Meritorious Performance in Industrial Safety during the year – 2013, received from National Safety Council – Maharashtra Chapter

## Highlights 2014-15



**₹100 cr<sup>+</sup>**

Net profit value for the first time

**₹200 cr**

CAPEX commissioned for expansion and diversification projects

**18.79**

interest coverage ratio as on 31 March, 2015

**11%**

Growth in revenues

**24%**

Growth in EBIDTA

**34%**

Growth in net profit

# FINANCIAL PERFORMANCE

## Net Sales

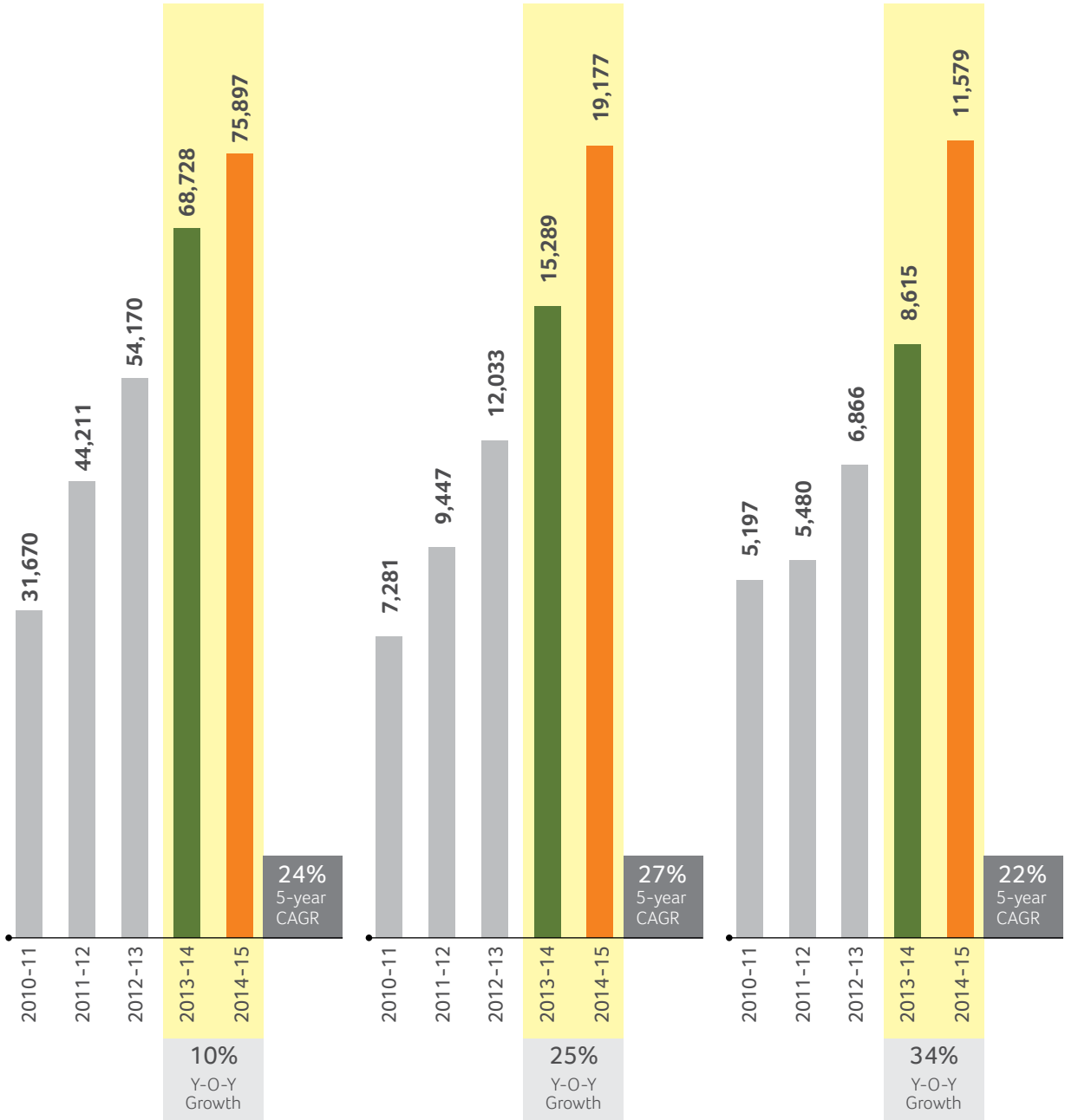
(₹ in Lacs)

## EBITDA

(₹ in Lacs)

## Profit after Tax

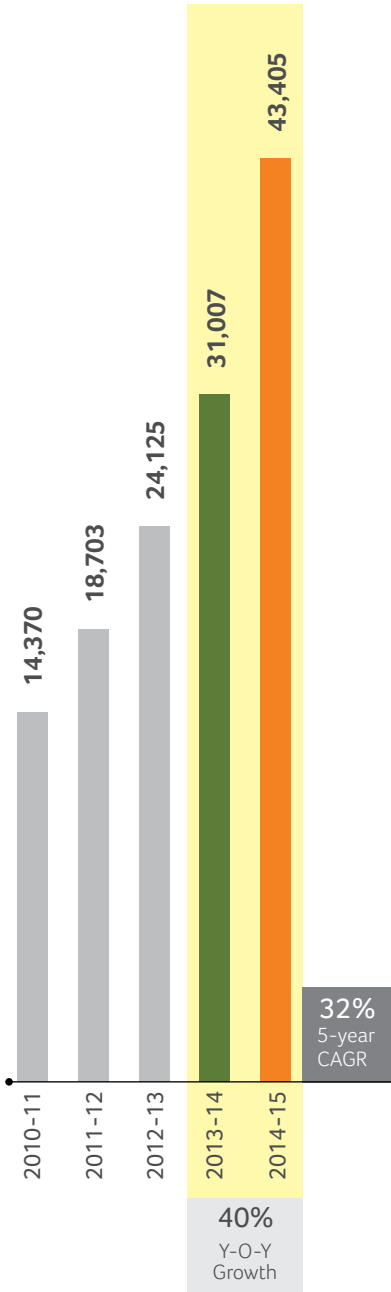
(₹ in Lacs)





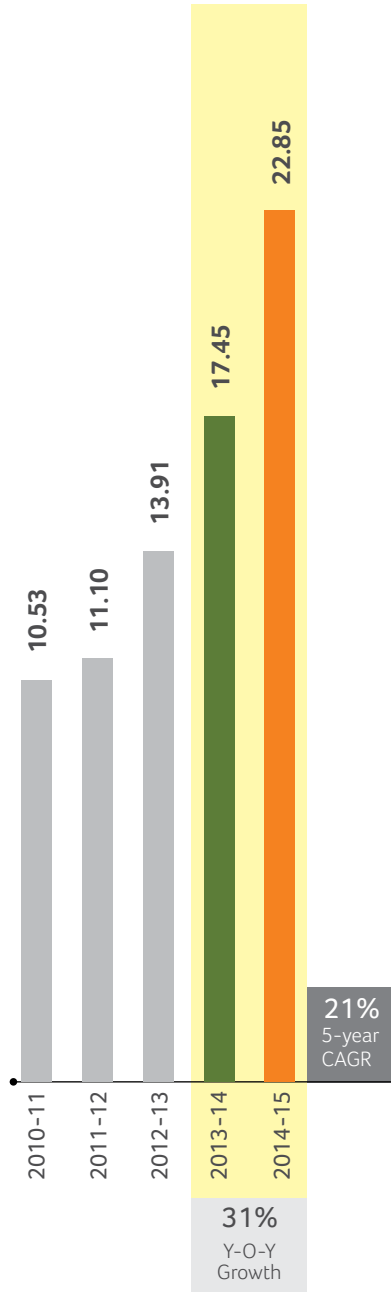
## Net Worth

(₹ in Lacs)



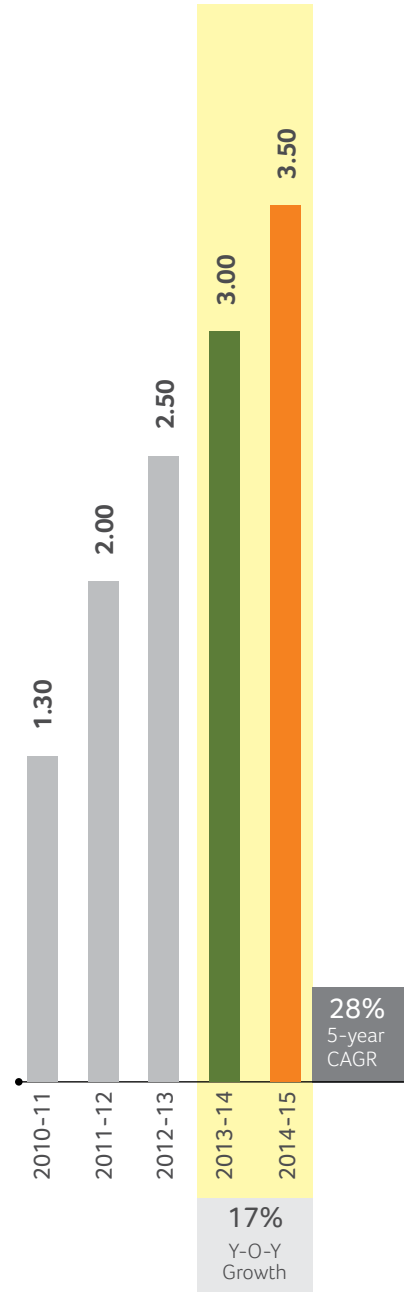
## Earnings Per Share

(₹)



## Dividend Per Share

(₹)



# MESSAGE FROM THE MANAGING DIRECTOR AND CEO



“Going ahead we will continue to invest in capacity expansion and also invest in new products and new technologies which will enable us to emerge as the 100% green chemical manufacturing unit.”

Dear Shareholders,

2014-15 has been another successful year for Vinati Organics Limited. I would like to take this opportunity to take you through your Company's performance during the year.

During the year, the global economic growth remained largely subdued; it grew by around 3.4%. The process of recovery is gradually gaining momentum. The US and the British economy performed well, while the Eurozone belied expectations. China's economic growth lost steam, although its rate of growth is still around 7%. India, on the other hand, grew encouragingly by 7.4%. Inflation has moderated, the deficits (both fiscal and current account) have considerably narrowed and more policy initiatives are expected from the new government at the centre.

**FY 2014-15 was a year of acceleration for us. We are positioned to capture maximum market share through our world-class R&D facilities, state-of-the-art technologies and quality assurance.**

## Striving for better capabilities

In the backdrop of a not-so-encouraging economic scenario, we have performed encouragingly owing to our global operations. We increased our topline by 11%, from ₹ 705 crore in FY 2013-14 to ₹ 781 crore in FY 2014-15; thereby maintaining the consistency in value creation. The business focus for the year was to review capacities and capabilities and enhance our preparedness to leverage opportunities.

During the year, we invested extensively in internal control processes, enhancing our intrinsic capabilities in the specialty chemicals business. Resultantly, stronger cost and resource utilization was achieved, along with a 34% rise in bottomline, from ₹ 86 crore in FY 2013-14 to ₹ 116 crore in FY 2014-15.

**We have a healthy gearing of 15% and interest coverage of 19 times owing to professional management practices, which pave the way for a sustainable future.**

## Establishing stronger governance

Integrated governance forms the foundation for a prosperous business. Today, we have evolved from a single product manufacturer to a speciality chemicals solutions provider with 14 products in our basket. With expanding business, it is essential to put in place, efficient management strategies and measures. Thus, to match the reality with anticipations, we invested in SAP and Human Resources Management System (HRMS). Moreover, we successfully operate from a single headquarter; a depiction of the efficiency of our integrated management systems.

Being a global company, we have always identified and achieved strong corporate governance as a part of our primary business focus.

## Fostering better culture

We recognize our people strength as one of the most critical enablers of our business. We have some of the best intellectual capital in the

chemical industry today. VOL extends the best possible opportunities to its employees to accelerate sustainable growth of the organization and its people. We believe in healthy competition; the same is encouraged internally as well. Over the last few years we have built a strong human relations team, at the corporate and plant level, and are headed towards stronger employee engagement activities, supporting further organizational development.

### Taking bigger responsibilities

As a chemical manufacturing Company, we value our responsibilities towards the environment and the society. Pertaining to our commitment to give back, both our manufacturing units are zero effluent.

At VOL, CSR initiatives are not looked upon as obligations, but are aligned to the larger organizational vision of driving inclusive growth for all. Thus, we undertook multiple initiatives during FY 2014-15 to make a social difference. We believe our humble efforts proved to be beneficial to the marginalized.

It is indeed a pleasurable experience to be able to bring about a difference in the lives of many through these initiatives. We genuinely intend to take such drives forward and touch many more lives in the future.

### Securing brighter future

Going ahead, we will continue to invest in capacity expansion and also invest in new products and new technologies, which will enable us to emerge as a 100% green chemical manufacturing unit.

We have resolved to implement capital expansions worth ₹ 200 crore throughout the next 18 months, which will include:

- New plant for producing Isobutyl AcetoPhenone (IBAP); This product is an intermediary between IBB and Ibuprofen
- Capacity expansion of IB
- New plant for producing para Tertiary Butyl Toluene / para Tertiary Butyl Benzoic Acid (PTBT/ PTBBA); these products are IB based derivatives and find their 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 5 MW Co-generation plant at the Company's Lote facility

The expansions will enable us to broaden consumer base, escalate topline and bottomline and reduce the cost of production.

We, as an organization are inspired by innovative ideas and put in place relevant strategies for their successful implementation.

These ideas have enabled us to position ourselves as a powerful entity in a competitive industry with high entry barriers.

I would like to express my gratitude to our clients and shareholders for recognizing the value that we offer and for trusting us to deliver in line with their expectations. I would also

**200 cr**

Capital expansion

**25%**

Increase in EBIDTA

**34%**

Increase in PAT

like to thank my management team for their support and the members of the Board for their expert guidance.

VOL is striving to continue growing profitably and create value for all stakeholders.


**Vinod Saraf**

Managing Director & CEO

## ENSURING GREENER ENVIRONMENT

The threat of environmental degradation and climate change is a matter of concern for all of us. Therefore, it is our collective responsibility to help protect it from harm, and ensure that all our initiatives are aligned to our sustainability imperatives.

The chemical industry by the very nature of operations is perceived to be a major cause of environmental pollution. In such an industrial scenario it is imperative to maintain environmental standards in all our operations with the outlook to minimize our environmental footprint. At Vinati Organics Limited, it is not our conscious effort to create a sustainable environment but it is an embedded component of our actions to create economic value without disturbing the environment.



**Therefore, we have proactively graduated ourselves today to a green chemical manufacturer.**

**We have invested in technology and processes that support and complement the nature.**

**We have transformed otherwise-hazardous product segments with a tint of the green.**

In our drive to foster cleaner and greener existence, we have been successful in bringing down our effluent toxicity level to zero by investing considerable time and energy to ensure that both our plants are zero effluent in nature. We ensure that all plants minimize effluent discharge to the point beyond meeting statutory norms for the discharge quality. We follow solid and hazardous waste management processes stringently. Thus we have obtained ISO 14001:2004 and OHSAS 18001:2007 certifications for both of our manufacturing plants.

At VOL, we believe in inclusive success of the business and its surrounding environment. Following the vision we have aligned our manufacturing capabilities with the necessary environmental regulations in several ways:

- We are continuously reducing our carbon footprint by controlling emissions and recycling residual waste.

- We have invested in cutting-edge technologies to treat waste and enhance our operating efficiency.
- We are dedicated to improve our infrastructure, with the objective to minimize effluent generation at source.

As a result of our consistent efforts, our world-class plants satisfy statutory and customer audits, enabling us to gain community trust and investor confidence in our vision to create sustainability backed values. Resource optimization and energy conservation are two primary approaches, embedded within all our processes. We recycle all residual streams and organic wastes and convert waste products into marketable by-products, adding to our revenues and increasing profitability.

## ISO 14001:2004

Obtained plant certification pertaining to robust environmental management systems in the two plants owned by the Company.

## OHSAS 18001:2007

Obtained OHSAS 18001:2007 certification for enhanced worker safety practices followed in the manufacturing units of the Company.

## Silver Rating

Accorded with Silver Rating by EcoVadis for socially impactful CSR activities of the Company.

## LIVING THE *MAKING IN INDIA* PHILOSOPHY

In our more than two decades of existence, we have emerged as a Company, which genuinely follows the *making in India* philosophy; and which represents India's independent speciality chemicals manufacturing capability globally.



We began commercial production of IBB at our Mahad plant in 1992, using the renowned Institut Francais du Petrole (IFP) technology. At the time, China was exporting Isobutyl Benzene to India at much cheaper and non-remunerative rates. Consequently, we struggled to mark our existence till an anti-dumping duty was imposed on Chinese material by the Government of India during September 1995. We took over since then. Through our dedicated efforts, we evolved as the world's largest manufacturer of IBB, having increased our capacity from the initial 1000 mtpa to the present 16000 mtpa. Our IBB manufacturing capacity eventually un-necessitated import of the substance from China.

In 2002, when we began manufacturing ATBS, we were only the 3<sup>rd</sup> company in the world to do so. From an initial 1200 mtpa, we have today expanded to 26000 mtpa and are the world's largest manufacturer of ATBS with over 45% of the global market share.

Commencing IB manufacturing processes only in 2010, today, we operate India's largest IB plant with a capacity of 12000 mtpa. The output from the IB plant is used for captive consumption, as well as domestic sales.

We commissioned our HP MTBE plant in 2012 and today we operate India's largest HP MTBE plant.

We leveraged our decades-rich knowledge to identify new products and develop areas to value-add. At the same time, we enriched our existing products over the years. In due course, we have silently participated in the making in India drive.

## World's Largest Manufacturer

Today, VOL is the world's largest manufacturer of IBB. The import of IBB has completely stopped and on the contrary, we now represent the country's IBB export volumes. VOL is the world's largest and the only Indian manufacturer of ATBS.

## EXPANDING GLOBAL VISIBILITY

We started with the vision to cater to industrial chemical demand and faced stiff competition in the domestic market from international players. In such a situation, it would have been easier to subside with the venture with little or no hints of survival opportunities. Rather, we took the experience as a lesson to learn; to battle; to innovate; to formulate strategies for a sustainable future.





Owing much to our previous experience in the chemical industry, we seek and strive to widen our global footprint. Today, we are a global company in the purest sense with our product selling in 25 countries, and we are stepping into newer geographies every year.

At VOL, we believe in coordinated expansion of capacities, capabilities and extent. That is why we have extended our product portfolio backed with latest technology and capacity additions in line with our geographical expansion. For example, we backward-integrated with the IB manufacturing plant, one of the key raw materials for ATBS. The IB plant fully satisfies the captive requirement and also caters to the local demand of IB. This integration has brought about multiple advantages to VOL in the form of securing the supply of a major raw material and cost efficiency, resulting in competitive advantage and a significant increase in revenue.

We constantly work on identifying newer product segment that will enhance our existing exposure in the foreign markets. Starting with a single product, we integrated a wide range of products in our portfolio to become a global market leader in chosen product categories.

Around 68% of our sales is exported to the US, Europe, Asia, the Middle East and China. We have some of the world's largest manufacturing companies in our client list, including BASF, Dow Chemicals, Nalco Company (USA), AkzoNobel, SNF Floerger, Ciba and Clariant Chemicals, among many others.

At VOL, we justify geographical expansion with equal emphasis on product segment and capacity expansion for a sustainable future.

## 6 continents 25 countries

Global presence

## 65%

Global market share in IBB

## 45%

Global market share in ATBS

# PRODUCT PORTFOLIO

We offer a wide range of products that allows us to cater to varied market aspirations. The wider product range also enables us to maintain and improve market visibility and serve to broader consumer strata.

Our product basket includes:

## Speciality Monomers

Product	Applications
2-acrylamido 2-methylpropane sulphonic acid (ATBS)	<ul style="list-style-type: none"> <li>• Water treatment chemicals</li> <li>• Emulsions for paint and paper coatings</li> <li>• Adhesives</li> <li>• Textiles auxiliaries and acrylic fibre</li> <li>• Detergents and cleaners</li> <li>• Oil field and mining chemicals</li> <li>• Construction chemicals</li> </ul>
Sodium salt of 2-acrylamido-2-methylpropane sulphonic acid (NaATBS)	<ul style="list-style-type: none"> <li>• Water treatments chemicals</li> <li>• Emulsions for paint and paper coatings</li> <li>• Adhesives</li> <li>• Textiles auxiliaries and acrylic fibre</li> <li>• Detergents and cleaners</li> <li>• Oil field and mining chemicals</li> <li>• Construction chemicals</li> </ul>
N-Tertiary Butyl Acrylamide (TBA)	<ul style="list-style-type: none"> <li>• Thickener in personal care</li> <li>• Water treatment</li> <li>• Metal working fluid</li> </ul>
N-Tertiary Octyl Acrylamide (TOA)	<ul style="list-style-type: none"> <li>• Adhesives</li> <li>• Antiscalants</li> <li>• Enhanced oil recovery</li> <li>• Personal care</li> </ul>
Diacetone Acrylamide (DAAM)	<ul style="list-style-type: none"> <li>• Coatings</li> <li>• Personal care</li> <li>• Epoxy resin</li> <li>• Gelatin substitute</li> <li>• Light sensitive resin additive</li> </ul>

## Specialty Acromatics

Product	Applications
Iso Butyl Benzene (IBB)	<ul style="list-style-type: none"> <li>● Pharmaceutical industry</li> <li>● Perfume industry</li> <li>● Speciality solvent</li> </ul>
Normal Butylbenzene (NBB)	<ul style="list-style-type: none"> <li>● Speciality solvent</li> <li>● LCD based applications</li> </ul>
C 10 Aromatic Solvent	<ul style="list-style-type: none"> <li>● Paints and coatings</li> <li>● Inks</li> <li>● Cleaning solvents</li> <li>● Environmental friendly agrochemical and pesticides formulations</li> </ul>

## Other Products

Product	Applications
Isobutylene (IB)	<ul style="list-style-type: none"> <li>● Butyl rubbers</li> <li>● Antioxidants</li> <li>● Fragrances and perfumes</li> <li>● Insecticides and pesticides</li> <li>● Personal care</li> <li>● Monomers</li> </ul>
Methanol	<ul style="list-style-type: none"> <li>● Pharmaceutical industry</li> <li>● Paint and varnish industry</li> <li>● Perfume industry</li> <li>● Manufacture of formaldehyde</li> <li>● Chemical synthesis (sodium methoxide, dimethyl ether and methyated derivatives)</li> </ul>
High Purity- Methyl Tertiary Butyl Ether (HP-MTBE)	<ul style="list-style-type: none"> <li>● Low cost solvent in some organic synthesis</li> <li>● Extract solvent for pharmaceutical synthesis</li> <li>● Synthesis of grignard's reagent</li> </ul>
Hexene	<ul style="list-style-type: none"> <li>● Low boiling point solvent</li> <li>● Used as thinners</li> <li>● Hydrocarbon resins</li> <li>● Solvent extractions</li> <li>● Tyre re-treading</li> <li>● Octane booster for gasoline</li> <li>● Manufacturing C-5 / C-6 aliphatic petroleum</li> </ul>

## Miscellaneous Polymers

Product	Applications
Vinflow HT)	<ul style="list-style-type: none"> <li>● Construction ● Ceramics ● Oil drilling</li> <li>● Mining ● Leather ● Paper</li> </ul>
Vinplast 245 (Acrylic Super Plasticizer)	<ul style="list-style-type: none"> <li>● Construction ● Ceramics ● Oil drilling</li> <li>● Mining ● Leather ● Paper</li> </ul>

# OUR COMPETENCIES



## Glocal leadership

We have become a market leader in our industry. We are the largest manufacturer of IBB and ATBS across the world. We are the largest manufacturer of IB and HP MTBE in India.



## Strong collaborations

We enjoy technical partnerships with renowned global and national players like Institut Francais du Petrole (France), Saipem S.p.A. (Italy) and National Chemical Laboratories (India).



## Captive Research

Our continuous focus on R&D helped improve productivity and efficiency of our operations.



## Synergic integration

Our emphasis on synergic integration has augmented our quest for global leadership and competitive advantage.



## Cost efficiency

We minimized our operational cost to enhance our efficiency. This has made us more competitive in terms of pricing, even during downturns.



## Product portfolio

Our product value chain consists of niche products with integration and synergy in the operating facilities.



## Assurance to customers

Our customers are confident about our reliable service. Thus large MNCs like BASF, NALCO, AkzoNobel, SNF and DOW Chemicals, among others come back to us every year.



## Environment-friendly

Our processes comply with environmental standards and result in zero waste discharge. Such efficiencies have helped us sustain our successful performance throughout several years.

# OUR BUSINESS MODEL

## Unique products segment

We largely cater to unique chemical demands for pharmaceutical and fine chemical applications. Today, we are the largest manufacturer of ATBS in the world, a product segment dominated by niche manufacturers globally. In the IBB segment, we hold similar credentials. Our diverse portfolio paves a sustainable future for our existence.

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## Unique technology

Staying updated with the latest technology trends in the industry is a practice at VOL. We were the first company to commercially manufacture IBB with technology collaboration of the renowned Institut Francais du Petrole (IFP), France; successfully scaling up to become the world's largest manufacturer of IBB. ATBS plant was installed based on breakthrough technology developed with the aid of National Chemical Laboratories (NCL), Pune; which too scaled up to become the world's largest manufacturer of ATBS. TBA and TOA are developed indigenously with the help of in-house intellectual capital and capable setup.

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## Unique resource utilization

We aim at sourcing raw materials in the best possible economic ways. We sourced IB, an important ingredient for ATBS, from Europe, China and Taiwan. As we increased ATBS capacity, we established in-house capacity to produce IB, which is now sufficient for all internal requirements with the surplus being an addition to our commercial product portfolio. VOL also recycles all its residual streams and organic wastes into usable products, thus creating additional revenue streams.

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## Calculated inclusive expansion

At VOL, we are not increasing our production capacities in the simplistic sense. We are front-running the downstream capacity expansions of our customers, so that we have adequate capacity the moment their expansions go on stream. Also, all of our geographical expansions are supported by equivalent capacity addition and portfolio revival.

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# CREATING SOCIAL VALUE

– the motive of all CSR initiatives at VOL

At VOL, we seek to balance between our business priorities and our responsibilities towards the community. We aim to enhance our intervention in the realms of education, environment and community development, going forward.



Our plants promote economic growth in a safe, secure and environmentally favourable way. We encourage our customers, suppliers and businesses to do the same. We are committed to protect the health and safety of our employees, preserve the environment and conserve natural resources. Our all-encompassing CSR initiatives define our sustainability strategy.

We work to empower and nurture rural communities near our facilities, helping them obtain self-sufficiency in natural resource management, livelihood support and setting up of health and education infrastructure.

## Our initiatives

- We motivate meritorious students through an awards system
- Encourage education of girls by donating uniforms and other educational aids
- Participate in programs organized by local panchayats
- Provide direct and indirect employment opportunities to local people
- Impart technical skills to people belonging to the society's marginalized sections
- Improve healthcare facilities and organize regular blood donation camps
- Maintain high standards of hygiene and safety at all our production units

# STATUTORY REPORTS & FINANCIAL STATEMENTS

## Statutory Reports **21 – 67**

• Directors' Report	22
• Corporate Governance Report	34
• Management Discussion and Analysis	46

## Financial Statements **68 – 94**

• Independent Auditors' Report	68
• Balance Sheet	72
• Statement of Profit and Loss	73
• Cash Flow Statement	74
• Notes to Financial Statements	76

Notice	95
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# DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report on the business and operations of your Company together with Audited Financial Statements for the year ended 31st March 2015.

## 1) FINANCIAL RESULTS

The summarized position of these results is given below:

		(₹ in Lacs)	
		2014-2015	2013-2014
Net sales up by 11%	Net Sales/Income from Operations	77172.56	69613.35
	Other Income	914.47	916.81
	<b>Total Income</b>	<b>78087.03</b>	<b>70530.16</b>
	Profit before Finance cost, Depreciation & Taxes	20091.05	16205.64
	Finance cost	975.51	1814.64
	Profit before Depreciation & Taxes	19115.54	14391.00
EBITDA up by 24%	Depreciation & Amortisation Expense	1765.86	1531.72
	Profit before Taxation	17349.68	12859.28
	Provision for Taxation - Current	5144.95	3539.40
	- Deferred	611.19	704.43
	Provision for earlier year W/back/Provided	14.14	-
PAT up by 34%	Net Profit	11579.40	8615.45
	Balance brought forward	26547.52	20564.97
	Less: Adjustment on account of depreciation	(55.17)	-
	Balance available for appropriations	38071.75	29180.42
	<b>Appropriations</b>		
	Final Proposed Dividend	1805.68	1481.17
	Tax on above	367.60	251.73
	Transfer to General Reserve	1190.00	900.00
	Surplus carried to Balance sheet	34708.47	26547.52

## 2) REVIEW OF OPERATIONS

The Company's operations have shown impressive growth during the year under review. The net sales/ Income from operations during the year have gone up to ₹ 77172.56 Lacs from ₹ 69613.35 Lacs, registering a growth of 11% over the previous year.

The Company's profit before tax has also gone up from ₹ 12859.28 Lacs in previous year to ₹ 17349.68 Lacs in current year registering a robust growth of 35%.

## 3) DIVIDEND

Your Directors are pleased to recommend a dividend of 175% i.e. ₹ 3.50 per equity share.

The total outgo on dividend account will be ₹ 2173.28 Lacs (inclusive of tax on dividend). The dividend is tax free in the hands of the shareholders.

## 4) TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 1190 Lacs to the General Reserve, out of the amount available for appropriation and an amount of ₹ 34708.47 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 ₹ 20000 lacs towards the below mentioned projects:

- New plant for producing Isobutyl Aceto Phenone (IBAP); This product is an intermediary between IBB and Ibuprofen



- New plant for producing para Tertiary Butyl Toluene / para Tertiary Butyl Benzoic Acid (PTBT/ PTBBA); These products are IB based derivatives and find their 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 5 MW Co-generation plant at the Company's Lote facility

## 7) TURNOVER AND PROFIT (OPERATING RESULTS)

The Company achieved gross turnover of ₹ 81566.97 Lacs as compared to ₹ 74260.30 Lacs in the previous year. The net profit after tax increased to ₹ 11579.40 Lacs as compared to ₹ 8615.45 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 for 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. Sunil Saraf and Mr. Mohit Mutreja 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 has been appointed as a Cost Auditor for the year ending on 31.03.2016, 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 31.03.2014 was 28.02.2015 and the same was filed on 11.03.2015 vide SRN No. S36650646 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 provide 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), Foreign Currency Convertible Bonds (FCCBs) and Foreign Currency Term Loan (FCTL) from Banks and Financial Institutions. FCCBs were converted into 2218525 equity shares on 11.09.2014.

**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 Group's Corporate Human Resources function has played and continues to play an integral role in its Company's 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 2014-2015 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 2014-15.

**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, 2015)**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year (FY15) 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 a 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 or along with his spouse:

1. Mr. Vinod Saraf – Managing Director – 6937250 shares - 13.45%
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, 2015 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 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 ₹10426.70 Lacs. Prescribed CSR expenditure is ₹ 208.53 Lacs Details of CSR spent during the financial year 2014-15 is as per **Annexure 'G'** enclosed. Amount unspent during the year is ₹ 2.33 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 31.03.2015 (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 2015 (**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 mutual fund units**

804527.011 Units (31st March, 2014 – 804527.011) Mutual Fund Units of L&T Triple Ace Bond Fund-Bonus	:	₹ 98.86 Lacs
1690674.241 Units (31st March, 2014 – 1690674.241) Mutual Fund Units of Sundaram select Debt ST Asset Plan Bonus	:	₹ 175.00 Lacs
<b>Total</b>		<b>₹273.86 Lacs</b>

**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	:	30.94
2.	Mrs. Vinati Saraf Mutreja, Executive Director	:	23.28
3.	Mrs. Viral Saraf Mittal, Director – Corporate Strategy	:	13.36

**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	:	10.00%
2.	Mrs. Vinati Saraf Mutreja, Executive Director	:	10.00%
3.	Mrs. Viral Saraf Mittal, Director – Corporate Strategy	:	10.00%
4.	Mr. Jayesh Ashar, Chief Operating Officer	:	21.95%
5.	Mr. N. K. Goyal, Chief Financial Officer	:	18.06%
6.	Mr. G. S. Singhi, Company Secretary cum Finance Controller	:	16.12%

**c. The percentage increase in the median remuneration of employees in the financial year: 14%****d. The number of permanent employees on the roll of Company: 588****e. The explanation on the relationship between average increase in remuneration and Company performance:**

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

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

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ In Lacs)	322.27
Revenue (₹ In Lacs)	77172.56
Remuneration of (KMP) as a percentage of revenue	.42
Profit before tax (PBT) (₹ In Lacs)	17349.68
Remuneration of (KMP) as % of PBT	1.86

**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, 2015	March 31, 2014	% change
Market capitalization (₹ In Lacs)	271239.81	138193.63	96
Price earnings ratio	23.01	16.04	43

**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, 2015 (₹)	November 11, 1991 (IPO)*	% change
Market Price (BSE)	525.75	1.33	39430
Market Price (NSE)	523.90	1.33	39291

\* 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%

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

Name	(₹ in Lacs)		
	Total Remuneration	% of revenue 77172.56	% of net profit before tax 17349.68
Mr. Vinod Banwarilal Saraf, Managing Director & CEO	95.30	.12	.55
Mrs. Vinati Saraf Mutreja, Executive Director	71.71	.09	.41
Mrs. Viral Saraf Mittal, Director – Corporate Strategy	41.15	.05	.24
Mr. Jayesh Ashar, Chief Operating Officer	50.00	.06	.29
Mr. N. K. Goyal, Chief Financial Officer	42.50	.06	.24
Mr. G. S. Singhi, Company Secretary cum Finance Controller	21.61	.03	.12

**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

As per Clause 49 of the listing agreements entered into with the stock exchanges, 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 revised Clause 49 of the Listing Agreements with stock exchanges (URL: [www.vinatiorganics.com](http://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 processes, 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

As per the requirement of Clause 49 of the Listing Agreement, the Independent Directors of the Company met on 7th March, 2015, 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) 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  
16th May 2015

**Girish M. Dave**  
Non-Executive Chairman

## Annexure A

## 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 ₹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) AND 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	2014-2015	2013-2014
<b>1) Electricity</b>		
<b>a) Purchased (MSEB)</b>		
Unit (KWH in Lacs)	314.48	271.92
Total Amount (₹ in Lacs)	2298.94	2091.17
Cost per unit (in ₹)	7.31	7.69
Unit Consumed / Kg. OFIBB	0.30	0.29
Unit Consumed / Kg. of ATBS	1.33	1.54
Unit Consumed / Kg. of IB	0.16	0.14
<b>b) Own Generation</b>		
(i) Through Diesel Generator		
Units (Litres)	116763	145727
Total Cost (Diesel cost ₹ In Lacs)	24.26	26.58
Cost per unit (in ₹)	20.78	18.24
<b>2) Coal</b>		
Units (Kg.)	21368683	22699904
Total Cost (₹ in Lacs)	1262.28	1374.32
Average Cost (₹ /Kg)	5.91	6.05
<b>3) Furnace Oil</b>		
Units (KL)	435046	871930
Amount (₹ in Lacs)	220.70	415.22
Average Cost (₹/KL)	50.73	47.62

### 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 ₹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 (as per Clause 49(l) (C) (ii)) 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 2014-2015 and the gap between two meetings did not exceed four months:

Date of the Meeting	Total Strength	No. of Directors present
10th May 2014	9	8
2nd August 2014	9	7
11th September 2014	9	5
1st November 2014	9	9
27th January 2015	9	8

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions as held by them in other public limited companies as on 31st March, 2015 are given below:

Name	Category	No. of Board Meetings Attended during 2014-15	Whether attended AGM held on 9th August 2014	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	5	No	5	2	5
Mr. R. K. Saraswat (Director)	Independent Non-Executive	5	Yes	3	2	1
Mr. C.B. Gokhale (Director)	Independent Non-Executive	4	No	-	-	-
Mr. A.A. Krishnan (Director)	Independent Non-Executive	4	No	1	-	-
Mr. Sunil Saraf Director	Promoter, Non-Independent Non-Executive	3	No	1	-	-
Ms. Vinati Saraf Mutreja Executive Director	Promoter, Non-Independent Executive	5	No	1	-	-
Ms. Viral Saraf Mittal Director-Corporate Strategy	Promoter, Non-Independent Executive	4	No	1	-	-
Mr. Mohit Mutreja Director	Promoter, Non-Independent Non-Executive	2	No	-	-	-

**(c) Code of Conduct:**

The Company has laid down a Code of Conduct for all its Board members and Senior Management personnel for avoidance of conflicts of interest. It has received from all of them the necessary declarations affirming compliance with the Code of Conduct for the year 2015. There were no material financial and commercial transactions in which the Senior Management personnel had personal interest, which could lead to a potential conflict of interest with the Company during the year. The Code of Conduct 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	1.10
2.	Mr. R. K. Saraswat	1.10
3.	Mr. C. B. Gokhale	0.90
4.	Mr. A. A. Krishnan	0.60
5.	Mr. Sunil Saraf	0.30
6.	Mr. Mohit Mutreja	0.20

**(e) Shareholdings of Directors as on 31.03.2015 are as under:**

Sr. No.	Name of Directors – Non-executive	No. Equity Shares
1.	Mr. Vinod Banwarilal Saraf	: 69,37,250
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 all the items listed in Clause 49(II)(D) of the Listing Agreement and Section 177 of the Companies Act, 2013.

**(b) Composition**

The Audit Committee of the Company as on 31st March, 2015 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
10th May 2014	3	3
2nd August 2014	3	3
1st November 2014	3	3
27th January 2015	3	3

The necessary quorum was present at the meetings.

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

**(d) Terms of reference**

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

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

**4. SUBSIDIARY COMPANIES**

The Company does not have any subsidiary companies.

**5. SHARE TRANSFER COMMITTEE**

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

- (i) Mr. Vinod Saraf, Managing Director
- (ii) Ms. Vinati Saraf Mutreja, Executive Director
- (iii) Mr. Sunil Saraf, Director

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 2014-2015 for approving transfers, transmissions etc. All transfers & transmissions etc. were approved and share certificates were dispatched within 30 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 2015	3	2

A total number of 31 complaints were received and all of which were, redressed by the Company during the year 2014 - 2015.

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.

**(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
27th January 2015	3	2

**(d) Nomination & Remuneration Policy**

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

**Details of remuneration paid /payable to the directors for the year ended 31st March 2015**

Managerial remuneration

Name	Salary & Allowances	Contribution to PF	(₹ in Lacs)
			Other Perquisites
Mr. Vinod Saraf			
Managing Director	85.80	7.92	1.58
Ms. Vinati Saraf Mutreja			
Executive Director	60.06	5.54	6.1
Ms. Viral Saraf Mittal			
Director – Corporate Strategy	34.32	3.17	3.66
<b>Total:</b>	<b>180.18</b>	<b>16.63</b>	<b>11.34</b>

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. This committee comprised the following 4 directors of the Company:

### (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
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. This committee comprised the following 4 directors of the Company:

### (b) Composition

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

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

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

### (c) 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. This committee comprises of the following 4 directors of the Company:

### (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
26th February 2015	4	3

### (d) Power of Corporate Social Responsibility Committee:

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

## 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 was comprised of 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
7th March 2015	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 resolutions passed
23rd AGM 2012	Regd. Office, B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.	01/09/2012	Saturday	12.30 p.m.	1
24th AGM 2013	- do -	03/08/2013	Saturday	12 Noon	3
25th AGM 2014	- do -	09/08/2014	Saturday	12 Noon	4

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. 28(b) 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 elaborate 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](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

All Official News Releases and the presentation made to the investors are displayed in 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. Guntant S. Singhi, Company Secretary Cum Finance Controller is the Compliance Officer.

## 18. GENERAL SHAREHOLDER INFORMATION

### (a) Annual General meeting

#### Date, Time & Venue

8th August 2015 at 12 noon at Regd. Office, at B/12 & B-13/1, MIDC Indl. Area, Mahad – 402 309, Dist. Raigad, Maharashtra.

### (b) Financial Calendar

Annual General Meeting	8th August 2015
Unaudited results for the quarter ending Jun'15	4th week of Jul'15
Unaudited results for the quarter/half year ending Sept' 30, 15	4th week of Oct'15
Unaudited results for the quarter ending Dec' 31, 15	4th week of Jan'16
Audited results for the quarter ending Mar' 31, 16	2nd week of May'16
<b>Date of book Closure</b>	30th July, 2015 to 8th August, 2015
<b>Dividend payment date</b>	12th August, 2015

### (c) Listing on Stock exchange

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

#### Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001, Maharashtra.

#### National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1, 'G' Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051, Maharashtra.

### (d) Stock Code

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

**(e) Market Price Data:**

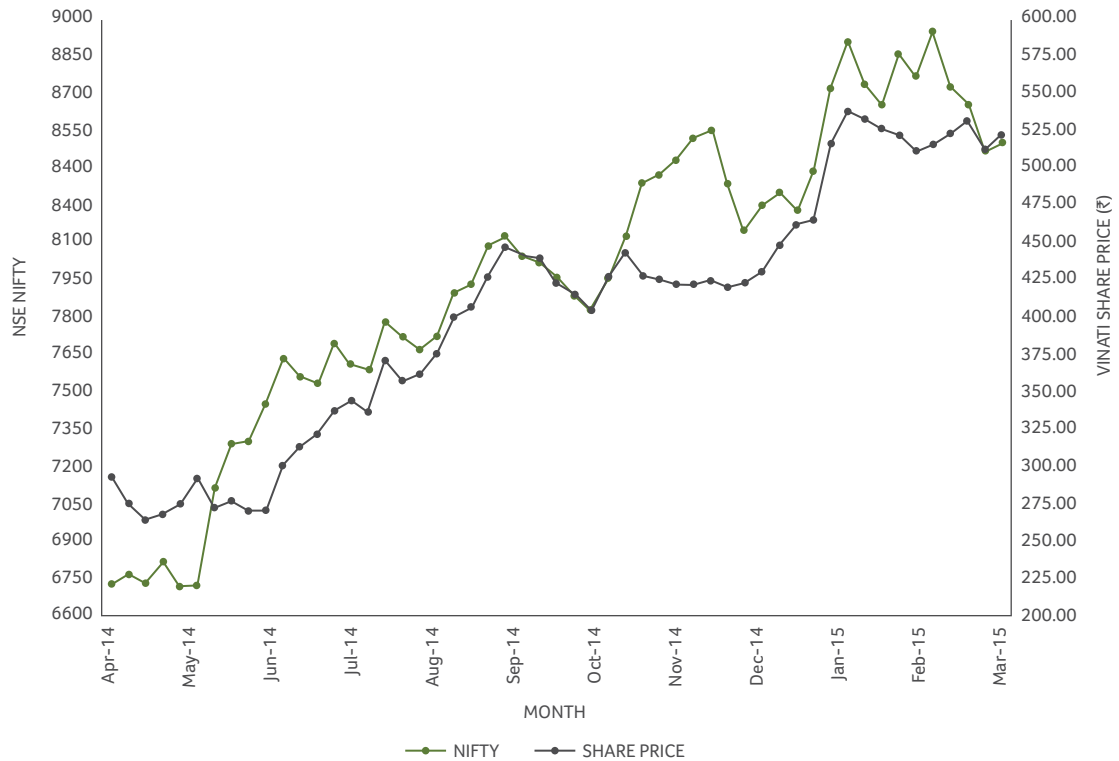
Month & Year	Bombay Stock Exchange Ltd. (in ₹)		National Stock Exchange of India Ltd. (in ₹)	
	High	Low	High	Low
Apr – 2014	298.30	254.00	298.90	253.00
May – 2014	304.90	250.10	305.00	246.20
Jun – 2014	342.00	255.00	338.80	250.10
Jul – 2014	391.35	320.05	392.85	320.00
Aug – 2014	421.95	342.50	422.00	345.00
Sep – 2014	464.00	340.00	464.70	418.00
Oct – 2014	451.95	389.95	478.00	390.00
Nov – 2014	449.00	405.00	453.95	394.40
Dec – 2014	463.90	345.25	440.00	405.50
Jan – 2015	554.00	429.00	554.50	427.20
Feb – 2015	554.00	500.00	552.00	502.00
Mar – 2015	547.00	502.00	549.50	499.85

**(f) The performance of the Company’s shares relating to the BSE Index for the year 2014-2015 is given below:**



**(g) The performance of the Company's shares relating to the NSE Index for the year 2014-2015 is given below:**

VINATI SHARE PRICE -VS - NSE NIFTY - APRIL 2014 TO MARCH 2015

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

Add.: Unit No.1, Luthra	Tel	: 2851 5606 / 2851 5644 / 2851 6338
Indl. Premises, Safed Pool,	Fax	: 2851 2885
Andheri-Kurla Road, Mumbai	E-mail	: sharexindia@vsnl.com
– 400 072.	Website	: www.sharexindia.com
Maharashtra.	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 2015.**

Category	No. of Shares	No. of share holders	% of holders	Total Shares	% of Shares
1	To 100	4995	38.95	212641	0.41
101	To 200	989	7.71	164104	0.32
201	To 500	1563	12.19	568398	1.10
501	To 1000	4005	31.23	3013244	5.84
1001	To 5000	1065	8.30	2332060	4.52
5001	To 10000	86	0.67	619377	1.20
10001	To 100000	106	0.83	3071403	5.95
100001	and above	15	0.12	41609798	80.65
<b>Total</b>		<b>12824</b>	<b>100.00</b>	<b>51591025</b>	<b>100.00</b>

**(k) Category of shareholders as on 31st March 2015.**

Category	No. of share holders	Voting strength (%)	No. of ordinary shares
Individuals	12262	18.546	9568206
Promoters	5	72.246	37272247
Other Companies	244	1.044	538822
Non-Resident Individuals	265	0.342	176318
Nationalized Banks, Mutual funds and trusts	10	6.963	3592392
FII	8	0.793	409026
Clearing Members	30	0.066	34014
<b>Total</b>	<b>12824</b>	<b>100</b>	<b>51591025</b>

**(l) Dematerialization of shares and liquidity**

49259270 (Total shares demated with NSDL is 33048255 & CDSL is 16211015) of the Company's share capital is dematerialized as on 31.03.2015. 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**

The Company has not issued any GDRs/ADRs/Warrants. The Company has approved on 11th September 2014 the allotment of 2218525 equity shares of face value of ₹2/- each on the request from IFC (International Finance Corporation) on conversion of Foreign Currency Convertible Bonds (FCCBs) for an aggregate amount USD 5,000,000 being 100% of the initial amount of the FCCBs (as per subscription agreement dated 4th March 2011).

**(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 31/03/2015 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  
16th May, 2015

**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, 2015.

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 2015.

Mumbai  
16th May, 2015

On behalf of the Board of Directors  
**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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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 above mentioned Listing Agreement.

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: 16th May, 2015

**Shashikant Gupta**  
Partner  
Membership No. 045629

## Annexure E

## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMY

After a promising start, the global economy faltered in FY15 with a growth rate of not more than 3.4%. The year was marked with heightened geo-political uncertainty, recessions in Brazil, Japan and many European nations, as well as slowdowns in China, the Euro Area and other nations. Monetary policy around the world remained accommodative and inflationary pressures were virtually non-existent.

The manufacturing sector, which represents the primary customer base for chemistry, entered in a soft period with particular weakness in Europe and East Asia. Lowering crude oil prices brought in a balanced effect – positive for the oil importers and negative for the exporters. The global industrial cycle, however, is beginning to turn upwards, led by the United States, the United Kingdom and other nations.

In the United States the economy registered below-potential growth as high taxes, debt and regulatory burdens still take a toll on both business and consumer confidence. As a result, businesses have been cautious and will slow capital spending in 2015. With household deleveraging over further improvements in the employment situation, lower oil prices fostering discretionary incomes, asset prices moving higher, consumers are starting to spend again.

### GLOBAL CHEMICAL INDUSTRY

The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. Global sales of chemicals more than doubled over the last decade, revealing a huge market and prospect for the chemical industry during the last couple of years.

The FY2014-15 saw a downfall of the basic chemicals (inorganic chemicals, petrochemicals, plastic resins, synthetic rubber, and man-made fibers) from the recession in Japan, Brazil, etc. and the economic slowdown in other nations, despite improving demand from important customer markets such as light vehicles and housing. U.S. chemical output is expected to rise to 3.9% in 2016. It is expected that in the long term, the U.S. chemical industry will grow faster than the overall U.S. economy. (Source: American Chemistry Council) Future growth of the

chemicals industry will be driven by developing markets, where gains are likely to range from 6 to 10%, compared with 2 to 3% in developed economies. (Source:PWC)

### INDIAN ECONOMY

Sub-5% growth rates, double digit inflation, low corporate and infrastructure investments, and a crunched credit market was prevalent in Indian economy. During 2014-15, the country shook off the gloom and registered a GDP growth of 7.4% vis-à-vis 6.9% last year. The renewed GDP figures of the previous year is the result of the change in the base year from 2004-05 to 2010-11. Election of a new government at the centre induced much positive vibes in the economy, encouraging FDIs, infrastructural investments and eased credit rates and policies. Reduction in the crude oil prices during the year brought certain level of relief to the manufacturing industry, minimising the cost of production.

#### Population surged to 1.28 billion in 2015

Per capita income rose to ₹ 74,193 from ₹69,959 in the preceding year.

Manufacturing industry grew by 6.8% against 5.3% in 2013-14.

CPI inflation came to an average of 6.2% in 2014-15.

Source : Ministry of Statistics and Programme Implementation (MoSPI), Economic Survey 2014-15

### INDIAN CHEMICAL INDUSTRY

India is the third largest chemical producer in Asia and the sixth largest by output, globally. Presently, the Indian chemical industry size is estimated to be approximately USD144 Billion, with about 2.11% contribution to India's GDP. The Indian chemical sector heavily contributes to the export-import segment of the country, accounting for about 13-14% of total exports and 8-9% of total imports.

Chemical industry is highly diverse with major sectors like petrochemicals, inorganic chemicals, organic chemicals, fine and specialties, bulk drugs, agrochemicals, paints and



dyes, among others. 45-50% of Indian chemical industry is concentrated in western India. This is one of the most diversified sectors, covering more than 70,000 commercial products. With a growth of 14% in the last 5 years and the market is expected to reach USD70 billion by 2020. Specialty chemicals sector is a major growth driver for the industry.

Source : Confederation of Indian Industry, Moneycontrol

## CORPORATE 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.

## PRODUCTS

**Isobutyl Benzene (IBB):** IBB is a specialty chemical widely used as an intermediate in the preparation of Ibuprofen, an anti-inflammatory/anti-arthritis/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 oil-field recovery, water treatment, acrylic fibre, adhesives 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 finds applications in pharmaceutical industry and in organic metallic compounds.

## PERFORMANCE OVERVIEW

Particulars	2014-15	2013-14	% growth (Y-O-Y)
Net Sales	75,897	68,728	10%
Operational Profit Before Interest, Depreciation and Taxes	19,177	15,289	25%
Net Profit	11,579	8,615	31%

Particulars	2014-15	2013-14	% growth (Y-O-Y)
Net Worth	43,405	31,007	40%
Gross Block	41,228	37,107	11%
Net Block	32,725	30,419	8%

## BRIEF ANALYSIS OF THE FINANCIAL STATEMENTS

- Net sales increased 10% from ₹ 68,728 lacs to ₹ 75,897 lacs on account of increased sale of ATBS, IBB and HP MTBE during the year under review. Due to considerable fall in crude and its derivatives, especially during second half of FY15, raw material prices decreased consequently affecting the pricing of the end products.
- Operational Profit Before Interest Depreciation and Taxes EBDITA grew 25 % from ₹ 15,289 lacs to ₹19,177. Even though the Net Sales in FY15 increased by only 10%, healthy growth in volumes resulted in the Operational Profit Before Interest Depreciation and Taxes EBDITA to surge by 25 % from ₹ 15,289 lacs to ₹19,177.
- Net profit increased 34 % from ₹ 8,615 lacs to ₹ 11579.
- EPS increased 31% from ₹ 17.45 to ₹ 22.85

## REVENUE ANALYSIS

### Revenue by geography (%)

Particulars	2014-15	2013-14
Domestic	32%	33%
Exports	68%	67%

### Key cost components as a percentage of net revenue from operations

Particulars	2014-15	2013-14
Raw material	61%	61%
Staff cost	4%	4%
Other expenses	12%	14%

### Sales mix as a percentage of total sales

Particulars	2014-15	2013-14
IBB	30%	35%
ATBS	46%	41%
IB	12%	13%
HPMTBE	4%	2%
Others	8%	9%

## 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.

## 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 consumer's 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 and this acts as a natural hedge.

## FUNDING RISK

### Risk: Funding requirements

**Mitigation:** We have a low debt equity ratio of 0.15 and a high interest cover which will help us in raising funds as and when needed.

## 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, 2015 employed for whole of the year.

Sr. No.	Name	Designation & nature of duties (as at March 31, 2015)	Qualification	Age (Yrs.)	Date of Joining	Experience	Gross Remuneration received (₹ in Lacs)	Previous employer	Designation
1	Mr. Vinod Banwarilal Saraf	Managing Director	Management Graduate from BITS, Pilani	65	15.06.1989	42	95.30	Mangalore Refinery & Petrochemicals Ltd.	Managing Director (Finance & Admin.)
2	Ms. Vinati Saraf Mutreja	Executive Director	Bachelors in Science in Economics & Engineering from University of Pennsylvania	31	20.05.2006	10	71.71	Mercer Oliver Wyman	Consultant

## ANNEXURE G

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was under-taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Provided GI ProfilesSheet to School. Financial Contribution for Science Exhibition, Career Guidance, basic training course. Imparting professional educations in the fields of engineering, technology, management & architecture.	Education	Lote, Mahad (Maharashtra) & Gaziabad (U.P.)	12800000.00	12680190.00	12680190.00	Direct
2	Contribution for National Conference on Excellence in Maternal Newborn Care. Provided Water Storage Tank to Village, Contribution towards Police Welfare Fund, Building of Borewell for Village. Contribution to hospital having 800 beds multi-disciplinary, superspeciality with ancillary facilities & rendering services to poor population living in downtrodden / economical backward area. Contribution for seven rural health centers & for providing tele-medicine facilities in 40 villages etc.	Health	Lote, Mahad & Ahmednagar (Maharashtra)	7780000.00	7672325.00	20352515.00	Direct
3	Contribution for building Community Hall in Village.	Rural Development	Mahad, Maharashtra	150000.00	150000.00	20502515.00	Direct
4	Provided Plants to Village, Water Charges.	Environment	Lote, Mahad (Maharashtra)	70000.00	67850.00	20570365.00	Direct
5	Contribution for Animal Welfare.	Animal Welfare	Lote, Chiplun (Maharashtra)	50000.00	50000.00	20620365.00	Direct
<b>TOTAL</b>				<b>20850000.00</b>	<b>20620365.00</b>		

Vinod Saraf

Chief Executive Officer

DIN : 00076708

R. K. Saraswat

Chairman

DIN : 00015095

## Annexure H

# 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 on 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.
- 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.

### 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.

### 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 31.03.2015  
[Pursuant to Section 92(3) of the Companies act, 2013 read with  
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

### A. REGISTRATION AND OTHER DETAILS:

CIN:-	L24116MH1989PLC052224
Registration Date:	15.06.1989
Name of the Company:	<b>VINATI ORGANICS LTD</b>
Category / Sub-Category of the Company	Company limited by shares - Non-government company
Address of the Registered office and contact details:	B-12 & B-13/1, MIDC Industrial Area, Mahad - 402 309, Dist. Raigad, Maharashtra, India. Tel No.: 02145-232013/14, Website: www.vinatiorganics.com, Email: shares@vinatiorganics.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd., 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
	Suchir Chemicals Pvt. Ltd. 301-302, Riya Palace, Swami Samarth Nagar, Andheri (West), Mumbai – 400 053.	U24110MH1998PTC114423	Holding	44.47

### D. SHARE HOLDING PATTERN

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. PROMOTER'S</b>										
<b>(1) INDIAN</b>										
(a) individual	15295512	0	15295512	30.98	14331812	0	14331812	27.78	(3.2)	
(b) Central Govt.										
(c) State Govt(s).	0	0	0		0	0	0		0	
(d) Bodies Corpp.	21733835	0	21733835	44.02	22940435	0	22940435	44.466	0.446	
(e) FIINS / BANKS.										
(f) Any Other										
<b>Sub-total (A) (1):-</b>	<b>37029347</b>	<b>0</b>	<b>37029347</b>	<b>75.00</b>	<b>37272247</b>	<b>0</b>	<b>37272247</b>	<b>72.246</b>	<b>(2.754)</b>	

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) FOREIGN</b>									
(a) Individual NRI / For Ind	0	0	0		0	0	0		0
(b) Other Individual									
(c) Bodies Corporates	0	0	0		0	0	0		0
(d) Banks / FI	0	0	0		0	0	0		0
(e) Qualified Foreign Investor	0	0	0		0	0	0		0
(f) Any Other Specify	0	0	0		0	0	0		0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>37029347</b>	<b>0</b>	<b>37029347</b>	<b>75.000</b>	<b>37272247</b>	<b>0</b>	<b>37272247</b>	<b>72.246</b>	<b>(2.75)</b>
<b>(B) (1) PUBLIC SHAREHOLDING</b>									
<b>(1) INSTITUTIONS</b>									
(a) Mutual Funds	412566	0	412566	0.836	3577804	0	3577804	6.935	6.099
(b) Banks / FI	2470	0	2470	0.005	6765	0	6765	0.013	0.008
(c) Central Govt.									
(d) State Govt.	750	0	750	0.002	7823	0	7823	0.015	0.013
(e) Venture Capital Funds	500	0	500	0.001	0	0	0		(0.001)
(f) Insurance Companies	0	0	0		0	0	0		0
(g) FIs	1319573	0	1319573	2.673	409026	0	409026	0.793	(1.88)
(h) Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i) Others (specify)	0	0	0		0	0	0		0
<b>Sub-total (B)(1):-</b>	<b>1735859</b>	<b>0</b>	<b>1735859</b>	<b>3.517</b>	<b>4001418</b>	<b>0</b>	<b>4001418</b>	<b>7.756</b>	<b>4.239</b>
<b>2. Non-Institutions</b>									
<b>(a) BODIES CORP.</b>									
(i) Indian	419049	16500	435549	0.882	522322	16500	538822	1.044	0.162
(ii) Overseas									
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	5582468	2513330	8095798	16.397	5980989	2313255	8294244	16.077	(0.32)
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1936517	0	1936517	3.922	1273962	0	1273962	2.469	(1.453)
<b>(c) Other (specify)</b>									
Non Resident Indians	102011	2000	104011	0.211	174318	2000	176318	0.342	0.131
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals		0				0			0



Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	35419	0	35419	0.072	34014	0	34014	0.066	(0.006)
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>8075464</b>	<b>2531830</b>	<b>10607294</b>	<b>21.484</b>	<b>7985605</b>	<b>2331755</b>	<b>10317360</b>	<b>19.998</b>	<b>(1.486)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>9811323</b>	<b>2531830</b>	<b>12343153</b>	<b>25.001</b>	<b>11987023</b>	<b>2331755</b>	<b>14318778</b>	<b>27.754</b>	<b>2.75</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>46840670</b>	<b>2531830</b>	<b>49372500</b>	<b>100.00</b>	<b>49259270</b>	<b>2331755</b>	<b>51591025</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			
		No. of Shares	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
	<b>SUCHIR CHEMICALS PRIVATE LIMITED</b>	21733835	44.02	01-04-2014				
				11-07-2014	1000000	Transfer	22733835	44.065
				21-11-2014	25000	Transfer	22758835	44.114
				28-11-2014	47600	Transfer	22806435	44.206
				05-12-2014	37690	Transfer	22844125	44.279
				12-12-2014	33810	Transfer	22877935	44.345
				19-12-2014	38596	Transfer	22916531	44.420
				31-12-2014	23904	Transfer	22940435	44.466
	-Closing Balance			31-03-2015			22940435	44.466
	VINOD SARAF	7937250	16.076	01-04-2014				
				04-07-2014	(1000000)	Transfer	6937250	13.447
				14-11-2014	36300	Transfer	6973550	13.517
	-Closing Balance			31-03-2015			6973550	13.517
	KAVITA SARAF	6228000	12.614	01-04-2014				
	-Closing Balance			31-03-2015	0	No-Change	6228000	12.072
	VINATI SARAF MUTREJA	607335	1.23	01-04-2014				
	-Closing Balance			31-03-2015	0	No-Change	607335	1.177
	VIRAL SARAF MITTAL	522927	1.059	01-04-2014				
	-Closing Balance			31-03-2015	0	No-Change	522927	1.014

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014		Share holding at the end of the Year 31/03/2015				
		No. of Shares	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	HSBC INDIA OPPORTUNITIES FUND	44716	0.091	24-10-2014				
				31-10-2014	45284	Transfer	90000	0.174
				14-11-2014	10000	Transfer	100000	0.194
				05-12-2014	10000	Transfer	110000	0.213
				30-01-2015	16043	Transfer	126043	0.244
				06-02-2015	2293	Transfer	128336	0.249
				13-02-2015	6664	Transfer	135000	0.262
				20-02-2015	25000	Transfer	160000	0.31
				20-03-2015	40000	Transfer	200000	0.388
	-Closing Balance					200000	0.388	
2	HSBC MIDCAP EQUITY FUND	92397	0.187	31-10-2014				
				14-11-2014	10254	Transfer	102651	0.199
				21-11-2014	15000	Transfer	117651	0.228
				28-11-2014	7484	Transfer	125135	0.243
				05-12-2014	55000	Transfer	180135	0.349
				12-12-2014	2011	Transfer	182146	0.353
				19-12-2014	3223	Transfer	185369	0.359
				30-01-2015	23543	Transfer	208912	0.405
				06-02-2015	23054	Transfer	231966	0.45
				13-02-2015	23248	Transfer	255214	0.495
	-Closing Balance					272214	0.528	
3	SBI MAGNUM GLOBAL FUND	773000	1.566	22-08-2014				
				28-11-2014	204978	Transfer	977978	1.896
				27-03-2015	2603	Transfer	980581	1.901
					-Closing Balance			
4	SBI MAGNUM BALANCED FUND	247500	0.501	31-10-2014				
				21-11-2014	951	Transfer	248451	0.482
				28-11-2014	151549	Transfer	400000	0.775
					-Closing Balance			
5	SBI MAGNUM COMMA FUND	1525	0.003	08-08-2014				
				15-08-2014	288	Transfer	1813	0.004
				22-08-2014	250000	Transfer	251813	0.488
					-Closing Balance			
6	SBI EQUITY OPPORTUNITIES FUND SERIE	150000	0.304	31-10-2014				
				28-11-2014	50000	Transfer	200000	0.388
				02-01-2015	100000	Transfer	300000	0.581
					-Closing Balance			

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			
		No. of Shares	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
7	SBI EQUITY OPPORTUNITIES FUND SERIE	42000	0.085	05-12-2014				
		0	0	12-12-2014	48000	Transfer	90000	0.174
		0	0	19-12-2014	7092	Transfer	97092	0.188
		0	0	02-01-2015	102908	Transfer	200000	0.388
	-Closing Balance			31-03-2015			200000	0.388
8	MIRAE ASSET EMERGING BLUECHIP FUND	222367	0.45	01-04-2014				
		0	0	02-05-2014	1767	Transfer	224134	0.434
		0	0	09-05-2014	9100	Transfer	233234	0.452
		0	0	16-05-2014	7520	Transfer	240754	0.467
		0	0	30-05-2014	964	Transfer	241718	0.469
		0	0	20-06-2014	2745	Transfer	244463	0.474
		0	0	11-07-2014	7500	Transfer	251963	0.488
		0	0	18-07-2014	5000	Transfer	256963	0.498
		0	0	25-07-2014	(2852)	Transfer	254111	0.493
		0	0	22-08-2014	(10000)	Transfer	244111	0.473
		0	0	12-09-2014	(3527)	Transfer	240584	0.466
		0	0	19-12-2014	10000	Transfer	250584	0.486
		0	0	31-12-2014	22000	Transfer	272584	0.528
		0	0	02-01-2015	3000	Transfer	275584	0.534
		0	0	23-01-2015	(22000)	Transfer	253584	0.492
		0	0	30-01-2015	(14500)	Transfer	239084	0.463
	-Closing Balance			31-03-2015			239084	0.463
9	MIRAE ASSET INDIA OPPORTUNITIES FUND	173699	0.352	01-04-2014				
		0	0	16-05-2014	15520	Transfer	189219	0.367
		0	0	11-07-2014	15500	Transfer	204719	0.397
		0	0	18-07-2014	5000	Transfer	209719	0.407
		0	0	25-07-2014	(3351)	Transfer	206368	0.4
		0	0	31-12-2014	5000	Transfer	211368	0.41
		0	0	23-01-2015	(13500)	Transfer	197868	0.384
		0	0	30-01-2015	(10500)	Transfer	187368	0.363
	-Closing Balance			31-03-2015			187368	0.363
10	SUSHMITA ASHISH KACHOLIA	200000	0.405	01-04-2014				
	-Closing Balance			31-03-2015	0	No-Change	200000	0.388

**(v) Shareholding of Directors and Key Managerial Personnel:**

Name		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
sr.no	Mahendrakumar Churiwala	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20000	0.041		
	At the End of the year			20000	0.039

Name		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
sr.no	Amit Thanawala	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	230	0.000		
	At the End of the year			230	0.000

Name		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
sr.no	Budhi Sagar Lathi	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.000		
	At the End of the year			1	0.000

Name		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
sr.no	M.A. Mahiman	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.000		
	At the End of the year			17	0.000

Name		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
sr.no	M. D. Purohit	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3288	0.007		
	At the End of the year			3288	0.006

## V. INDEBTEDNESS

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

				(₹ in Lacs)
Secured Loans excluding deposits	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12779.31	3378.29	--	16157.60
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	56.65	4.76	--	61.41
<b>Total (i+ii+iii)</b>	<b>12835.96</b>	<b>3,383.05</b>	--	<b>16219.01</b>
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	(6271.30)	(3383.05)	--	(9654.35)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	6529.54	--	--	6529.54
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	35.12	--	--	35.12
<b>Total (i+ii+iii)</b>	<b>6564.66</b>	--	--	<b>6564.66</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

				(₹ in Lacs)	
Sl.no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Vinod Saraf, Managing Director	Ms. Vinati Saraf Mutreja, Executive Director	Ms. Viral Saraf Mittal, Director -Corporate Strategy	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93.72	65.6	37.49	196.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.58	6.10	3.66	11.34
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option				
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

**B. Remuneration to other directors:**

						(₹ in Lacs)
Sl.no.	Particulars of Remuneration	Name of Directors Manager				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	1.10	1.10	0.90	0.60	3.70
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	1.10	1.10	0.90	0.60	3.70
2.	Other Non-Executive Directors	Mr. Mohit Mutreja	Mr. Sunil Saraf			
	• Fee for attending board / committee meetings	0.20	0.30			0.50
	• Commission	Nil	Nil			Nil
	• Others, please specify	Nil	Nil			Nil
	<b>Total (2)</b>	0.20	0.30			0.50
	<b>Total (B)=(1+2)</b>	1.30	1.40	0.90	0.60	4.20
	Total Managerial Remuneration	Nil	Nil			Nil
	Overall Ceiling as per the Act	Nil	Nil			Nil

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

		(₹ in Lacs)			
Sl.no.	Particulars of Remuneration	Key Managerial Personnel			Total
		COO	CFO	Company Secretary	
1	Gross salary	50.00	42.5	21.61	114.11
	(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	0.37	0.32	1.01
	(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
	<b>Total</b>	Nil	Nil	Nil	Nil

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

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

## Annexure J

## SECRETARIAL AUDIT REPORT

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

**Company No.: L24116MH1989PLC052224**  
**Authorised Capital: ₹ 15.00Crores**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vinati Organics Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period ended on 31st March, 2015 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 reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 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 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Ltd.

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

Based on the verification of records / documents produced to us, the information furnished to us by the Company and the test check carried out by us, we are of the opinion that the Company has complied with the applicable provisions of the companies act 2013 ("the Act") and Rules made under the Act and, the Memorandum and Articles of Association of the Company and other applicable provision with regard to:

- 1) Maintenance of various statutory registers and documents and making necessary entries therein;
- 2) Contracts, common seal, registered office and publication of name of the Company;
- 3) Filing of the requisite forms and returns with the Registrar of Companies, Mumbai , Maharashtra and Central Government within the time prescribed under the Act and rules made there under;
- 4) Service of documents by the Company on its Members and Auditors.
- 5) Closure of Register of Members and Share Transfer Books of the Company.
- 6) Convening and holding of the meetings of Directors and Committees of Directors, including passing of the resolutions by circulation;
- 7) Convening and holding of the Annual General Meeting of the Company;
- 8) Minutes of the proceedings of General Meeting, Board Meetings and Board Committees were properly recorded in loose leaf form, which are being bound in a book form at regular intervals
- 9) Appointment and remuneration of Auditors and Cost Auditors;
- 10) Transfers and transmission of shares, issue / delivery of duplicate share certificates and dematerialisation / rematerialisation of shares;
- 11) Composition and terms of reference of Audit Committee;
- 12) Transfer of amounts due under the Act to the Investor Education and Protection Fund;
- 13) Uploading of the details of unclaimed / unpaid dividend with the Ministry of Corporate Affairs (MCA) as well as on the website of the Company;
- 14) Borrowings and registration, modification and satisfaction of charges, wherever applicable.
- 15) Deposit of both the employees and employers contribution relating to Provident Fund with the Trusts created for the purpose;
- 16) Form of Balance Sheet, statement of Profit & Loss and disclosures to be made therein as per the revised Schedule VI to the Act issued by the Ministry of Corporate Affairs ( MCA ) ;
- 17) All other applicable provisions of the Act and the Rules made there under that Act.

We further state that;

- 1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
- 2) The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
- 3) The Company has obtained all necessary approvals under the various provisions of the Act; and
- 4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreements and Rules, Regulation and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.



We further report that:

- 1) The Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialization securities with all securities issued by the Company;
- 2) The Company has complied with all the mandatory requirements under the Listing Agreement executed with the BSE Limited and National Stock Exchange of India Ltd;
- 3) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 including the provisions with regard to disclosures and maintenance of records required under the regulation;
- 4) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 including provisions with regards to disclosures and maintenance of records required under the regulation.
- 5) 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.

- 6) 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 7) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

- 1) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For VKM & Associates  
Practising Company Secretary

**Vijay Kumar Mishra**

Partner

Place : Mumbai  
Date : 16/05/2015

FCS No. 5023  
C P No.: 4279

## Annexure K

## 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 the 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 2014-15.
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - a. Name(s) of the related party and nature of relationship: Viral Alkalis Limited (VAL), Associate Company of VOL.
  - b. Nature of contracts / arrangements / transactions: The details of effluent water sold to Viral Alkalis Limited as under:  
7294.8 KL x ₹ 25/- = 182370/- during the year. Contract was entered for the year 2014-15.  
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	Very good	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?	Very good	Very good	Good	Good	Very good

# 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, 2015, and the Statement of Profit and Loss and 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 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, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015;
- 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, 2015 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 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, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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.
    - 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

Sd/-  
192, Dr. D. N. Road  
Mumbai – 400001  
Dated: May 16, 2015

Sd/-  
**Shashikant Gupta**  
Partner  
Membership No. 45629

## ANNEXURE TO THE INDEPENDENT AUDITORS' 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, 2015. We report that:-

- i. In respect of its fixed assets:
  - (a) The Company has maintained 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.
- ii. In respect of its inventories:
  - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. 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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence provisions of paragraph 3(iii) of the aforesaid Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system. There is no sale of services.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which provisions of Sections 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 are applicable. No Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under section 148(1) of the Companies Act, 2013 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.
  - (b) According to the information and explanations given to us, 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 31-03-2015, for a period of more than six months from the date they became payable.



(c) 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	3,30,664	Jan 2012 to Nov 2012	Commissioner (Appeal)
Service Tax Act, 1994	Demand and Interest	1,56,782	02.05.2012	CESTAT
Custom Act, 1962	Demand and Penalty	45,09,380	March 2012 to May 2012	Commissioner (Appeal)

(d) No amount is required to be transferred to Investor's Education and Protection Fund in accordance with Section 205C(2) of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

and accordingly requirement of Paragraph 3(x) of the aforesaid Order are not applicable to the Company.

viii. The Company does not have accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi. The Company has not raised term loans during the year.

xii. Based upon the audit procedures performed and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

ix. 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.

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

x. The Company has not given any guarantee for loans taken by others from Bank or financial institution

192, Dr. D. N. Road  
Mumbai – 400001  
Dated: May 16, 2015

Sd/-  
**Shashikant Gupta**  
Partner  
Membership No. 45629

# BALANCE SHEET

as at 31st March, 2015

(₹ in Lacs)

	Note No.	As at 31/03/2015	As at 31/03/2014
<b>I. EQUITY AND LIABILITIES:</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	1,031.82	987.45
(b) Reserves & Surplus	3	42,372.75	30,019.92
		43,404.57	31,007.37
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	3,724.10	10,996.69
(b) Deferred Tax Liabilities (Net)	5	3,897.41	3,314.62
		7,621.51	14,311.31
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	6	171.77	1,226.89
(b) Trade Payables	7	2,152.02	1,417.33
(c) Other Current Liabilities	8	4,013.85	5,186.65
(d) Short Term Provisions	9	2,555.72	2,061.51
		8,893.36	9,892.38
<b>Total</b>		<b>59,919.44</b>	<b>55,211.06</b>
<b>II. ASSETS:</b>			
<b>1 Non Current Assets</b>			
Fixed Assets			
(a) Tangible Assets	10	32,073.97	29,845.06
(b) Intangible Assets	10	651.17	573.73
(c) Capital Work-in-progress		2,001.90	1,008.76
(d) Long term loans & advances	11	1,043.93	480.02
(e) Other Non-Current Assets	12	75.20	244.38
		35,846.17	32,151.95
<b>2 Current Assets</b>			
(a) Current Investments	13	273.86	273.86
(b) Inventories	14	5,449.21	4,663.44
(c) Trade Receivables	15	12,909.57	11,505.42
(d) Cash and Bank balances	16	2,714.39	4,270.46
(e) Short Term Loans and Advances	17	2,468.71	2,302.98
(f) Other Current Assets	18	257.53	42.95
		24,073.27	23,059.11
<b>Total</b>		<b>59,919.44</b>	<b>55,211.06</b>
<b>Significant Accounting Policies</b>	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

**Shashikant Gupta**

Partner  
Membership No. 045629

Place: Mumbai

Date: 16th May, 2015

For and on behalf of the Board of Directors

**Vinod Saraf**

CEO & Managing Director  
DIN : 00076708

Nand Kishor Goyal  
Chief Financial Officer

**Gunvant Singhi**

Company Secretary cum Finance Controller

**Vinati Saraf Mutreja**

Executive Director  
DIN : 00079184

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2015

(₹ in Lacs)

	Note No.	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>I. Incomes:</b>			
Revenue from Operations (Net)	19	77,172.56	69,613.35
Other Income	20	914.47	916.81
<b>Total Revenue</b>		<b>78,087.03</b>	<b>70,530.16</b>
<b>II. Expenses:</b>			
Cost of Materials Consumed	21	45,537.83	41,744.24
Merchandise Purchases		51.50	51.71
Changes in Inventories of Finished goods and work-in-progress	22	64.99	84.81
Employee benefits expense	23	3,189.93	2,742.88
Finance cost	24	975.51	1,814.64
Depreciation and amortisation expense	25	1,765.86	1,531.72
Other Expenses	26	9,151.73	9,700.88
<b>Total Expenses</b>		<b>60,737.35</b>	<b>57,670.88</b>
<b>III. Profit before tax</b>			
		17,349.68	12,859.28
Less: Tax Expenses			
Current Tax		5,144.95	3,539.40
Deferred Tax		611.19	704.43
Earlier Years adjustments		14.14	-
		5,770.28	4,243.83
<b>IV. Profit for the period</b>			
		<b>11,579.40</b>	<b>8,615.45</b>
<b>V. Earnings per Equity share</b>			
(i) Basic	32	22.85	17.45
(ii) Diluted		22.85	17.45
Significant Accounting Policies			
The notes are an integral part of these financial statements.	1		

As per our report of even date attached

**For Karnavat & Co.**  
Chartered Accountants  
Firm Regn.No. 104863W

**Shashikant Gupta**  
Partner  
Membership No. 045629

Place: Mumbai  
Date: 16th May, 2015

For and on behalf of the Board of Directors

**Vinod Saraf**  
CEO & Managing Director  
DIN : 00076708

Nand Kishor Goyal  
Chief Financial Officer

**Gunvant Singhi**  
Company Secretary cum Finance Controller

**Vinati Saraf Mutreja**  
Executive Director  
DIN : 00079184

# CASH FLOW STATEMENT

for the year ended 31st March, 2015

(₹ in Lacs)

	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>A. Cash flow from operating activities :</b>		
Net profit before tax and extra ordinary item	17,349.68	12,859.28
Adjustments for :		
Depreciation	1,758.53	1,529.11
Amortisation	7.33	2.61
Loss /(Gain)on sale of fixed assets/assets discarded	31.78	0.20
Interest paid	486.64	713.54
Unrealised Foreign Exchange (Gain)/Loss (net)	163.26	1,328.69
Provisions for expenses and liabilities	(221.31)	431.14
Excess Liability written back	(3.19)	(6.15)
Other Provisions and write offs (net)	-	(8.11)
Interest Accrued income	(11.66)	(24.94)
Loss (Profit)on sale /Diminution in value of Investment	-	(287.95)
Dividend Received	(332.28)	(169.07)
Unrealised export incentives/Import entitlements	(442.13)	(548.05)
<b>Operating profit before working capital changes</b>	<b>18,786.65</b>	<b>15,820.30</b>
Adjustments for :		
Trade and other receivables	(1,098.24)	(132.07)
Inventories	(785.77)	800.85
Trade and other payables	(444.68)	308.72
<b>Cash generated from operations</b>	<b>16,457.96</b>	<b>16,797.80</b>
Direct taxes (including earlier years)	(5,201.97)	(3,651.76)
<b>Cash flow before extra ordinary items</b>	<b>11,255.99</b>	<b>13,146.04</b>
Extra ordinary items	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>11,255.99</b>	<b>13,146.04</b>
<b>B Cash flow from investing activities</b>		
Fixed assets purchased, sold/discarded (net and excluding CWIP capitalised)	(4,219.34)	(2,937.29)
(Increase)/ Decrease in Capital Work-in-Progress (including capital advances)	(1,459.34)	380.25
Adjustment for foreign exchange year end revaluation	-	195.30
(Increase)/Decrease in Investments (including re investments)	-	1,291.36
Dividend received	332.28	169.07
<b>Cash generated from investing activities</b>	<b>(5,346.40)</b>	<b>(901.31)</b>
Tax deducted at source on interest income	(2.73)	(1.98)
<b>Net cash generated from/(used in) investing activities</b>	<b>(5,349.13)</b>	<b>(903.29)</b>
<b>C Cash flow from financing activities</b>		
Receipt of long-term borrowings (net of repayment)	(4,194.55)	(2,556.76)
Receipt of short-term borrowings (net of repayment)	(1,054.76)	(5,303.44)
Adjustment for foreign exchange year end revaluation	(272.27)	(1,359.66)
Interest paid	(486.64)	(713.54)
Dividend paid	(1,202.98)	(1,206.22)
Tax on dividend	(251.73)	(209.66)
<b>Net cash flow generated from/(used in) financing activities</b>	<b>(7,462.93)</b>	<b>(11,349.28)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C )</b>	<b>(1,556.07)</b>	<b>893.47</b>
Cash and cash equivalents (opening balance)	4,270.46	3,376.99
Cash and cash equivalents (closing balance)	2,714.39	4,270.46

# CASH FLOW STATEMENT

for the year ended 31st March, 2015

(₹ in Lacs)

	Year Ended 31/03/2015	Year Ended 31/03/2014
Notes:		
<b>1. Reconciliation of cash and cash equivalents</b>		
As per Balance Sheet - Note No 16	2,714.39	4,270.46
Add: Foreign exchange loss on revaluation	-	-
<b>As per cash flow statement</b>	<b>2,714.39</b>	<b>4,270.46</b>
<b>2. Cash and cash equivalents comprises of</b>		
a. Cash in hand	2.55	0.71
b. Bank balance in current accounts	137.06	162.37
c. In fixed deposit account	2,574.78	4,107.38
	<b>2,714.39</b>	<b>4,270.46</b>
3. Balance in current account unavailable for utilisation on account of balance lying in unclaimed dividend account as it represents corresponding liability.	132.34	101.00
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 Karnavat & Co.**  
Chartered Accountants  
Firm Regn.No. 104863W

**Shashikant Gupta**  
Partner  
Membership No. 045629

Place: Mumbai  
Date: 16th May, 2015

For and on behalf of the Board of Directors

**Vinod Saraf**  
CEO & Managing Director  
DIN : 00076708

Nand Kishor Goyal  
Chief Financial Officer

**Gunvant Singhi**  
Company Secretary cum Finance Controller

**Vinati Saraf Mutreja**  
Executive Director  
DIN : 00079184

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 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 2 Methylpropane Sulphonic Acid), NaATBS (Sodium Salt of 2 Acrylamido 2 Methylpropane Sulphonic Acid), Diacetone Acrylamide and Isobutylene. 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 recognized 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 entitlement by the way of Duty Draw back is 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.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

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.

## 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

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has re-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. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value (net of deferred tax), as at 1st April, 2014 has been adjusted to the Retained Earnings. In other cases, 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.

## 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 prorata, on straight line basis over the estimated useful life of the asset which is estimated at 10 years.

(iii) Licensed Software is amortised prorata, 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 to the foreign currency amount 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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

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 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.



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 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

	As at 31/03/2015	As at 31/03/2014
(₹ in Lacs)		
<b>Authorised</b>		
7,50,00,000 (31st March, 2014: 7,50,00,000) Equity Shares of ₹ 2/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and Paid-up</b>		
5,15,91,025 (31st March, 2014: 4,93,72,500) Equity Shares of ₹ 2 each (Fully Paid up)	1,031.82	987.45
<b>Total</b>	<b>1,031.82</b>	<b>987.45</b>

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

Equity Shares: (Face value of ₹ 2 each fully paid-up)	As at 31/03/2015		As at 31/03/2014	
	Nos	₹ In Lacs	Nos	₹ In Lacs
At the beginning of the period	49,372,500	987.45	49,372,500	987.45
Add: Issued during the year	2,218,525	44.37	-	-
<b>Outstanding at the end of the period</b>	<b>51,591,025</b>	<b>1,031.82</b>	<b>49,372,500</b>	<b>987.45</b>

### 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.

During the year, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.50 (Previous year: ₹ 3.00)

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 ₹ 2 each fully paid	As at 31/03/2015		As at 31/03/2014	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Name of Shareholders				
Vinod Saraf	13.52	6,973,550	16.08	7,937,250
Kavita Saraf	12.07	6,228,000	12.61	6,228,000
Suchir Chemicals Pvt. Ltd.	44.47	22,940,435	44.02	21,733,835

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 3. RESERVES & SURPLUS

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
(i) Capital Reserve	30.40	30.40
(ii) Share premium account	3,001.88	-
(ii) General Reserve		
Balance as at the beginning of the year	3,442.00	2,542.00
Add: Amount transferred from Surplus balance	1,190.00	900.00
Balance as at the end of the year	<b>4,632.00</b>	<b>3,442.00</b>
(iii) <b>Surplus in statement of profit and loss</b>		
Balance as at the beginning of the year	26,547.52	20,564.95
Profit for the year	11,579.40	8,615.47
Less: Adjustment on account of depreciation as per Schedule II of Companies Act, 2013	(55.17)	-
Less: Appropriation		
Proposed dividend on Equity Share for the year	1,805.68	1,481.17
Dividend distribution tax on proposed dividend on Equity Share	367.60	251.73
Transfer to general reserve	1,190.00	900.00
<b>Total appropriation</b>	<b>3,363.28</b>	<b>2,632.90</b>
Balance as at the end of the year	34,708.47	26,547.52
<b>Total Reserves and surplus</b>	<b>42,372.75</b>	<b>30,019.92</b>

## 4. LONG TERM BORROWINGS

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Term Loans</b>		
<b>Secured (Refer note no. 4 (a))</b>		
Foreign Currency loan from banks	2,915.32	7,322.14
Foreign Currency loan (ECB) from IFC	3,442.45	4,613.07
	6,357.77	11,935.21
<b>Unsecured</b>		
Foreign Currency convertible bonds from IFC	-	2,995.50
	6,357.77	14,930.71
Less: Current maturities of secured loans shown in other current liabilities (Refer Note.8)	(2,633.67)	(3,934.02)
<b>Total</b>	<b>3,724.10</b>	<b>10,996.69</b>

### 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

##### SBI (FCNR):

Exclusive charge on Office Premises located at 1102, Parinee Crescenzo, 11th Floor, C-38 & C-39, "G" Block, Behind MCA, Bandra Kurla Complex, Bandra (E), Mumbai - 51 & personal guarantee of Managing Director Mr. Vinod Saraf, Loan has been fully paid during the year.

##### 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.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

**(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) SBI (FCNR): Foreign Currency loan carried interest of 450 bps + six months libor, loan has been fully paid during the year.
- (iv) Citi Bank (FCNR): Foreign Currency loan carries interest of 445 bps.
- (v) FCCB: Fixed Coupon Rate of @.55% per annum and accumulated arrears of interest @ 3.5% compounded half-yearly, if the bonds are redeemed on the redemption date and option of conversion into equity shares is not exercised. During the year, FCCB has been fully converted into equity shares.

- (ii) SBI ECB: Repayable in 9 half yearly equal instalments from September 2013 to March 2017
- (iii) SBI FCNR: Repayable in 19 quarterly equal instalments from November 2012 to August 2017, loan has been fully paid during the year.
- (iv) Citibank FCNR: Repayable in 9 quarterly equal instalments from June 2013 to June 2015
- (v) FCCB: Convertible at the option of the lender into equity shares at ₹ 100 (₹ 2 paid up) each during any time starting from the date of subscription i.e. 28th July 2011 and ending 5 years. If the option is not exercised, it is to be redeemed on the final redemption date alongwith accumulated arrears of interest on pro-rata basis @ 3.5% per annum compounded semi annually. During the year, FCCB has been fully converted into equity shares.

**(c) Terms of Repayment:**

- (i) IFC ECB: Repayable in 10 half yearly equal instalments from December 2012 to June 2017

## 5. DEFERRED TAX LIABILITY (NET)

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
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	(3,949.57)	(3,361.71)
Disallowances u/s 43B of the Income-tax Act, 1961	52.16	47.09
Net Deferred Tax Liability	(3,897.41)	(3,314.62)
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 period	(3,314.62)	(2,610.19)
Net Deferred Tax Charged to statement of Profit and Loss	<b>(611.19)</b>	<b>(704.43)</b>

## 6. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Secured</b>		
Working Capital Advances From Banks (Refer Note No.6(a))	171.77	844.10
<b>Unsecured</b>		
Loans from Bank (discounting of trade receivables)	-	382.79
<b>Total</b>	<b>171.77</b>	<b>1,226.89</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 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%.

#### (ii) Unsecured Loan

Foreign Currency loan carries interest ranging from 175 bps to 225 bps + 3/6 months libor.

### (c) Terms of repayment:

Repayable on demand.

## 7. TRADE PAYABLES

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
Due to Micro, Small and Medium Enterprises (Refer Note No.36)	-	-
Due to Other Enterprises	2,152.02	1,417.33
<b>Total</b>	<b>2,152.02</b>	<b>1,417.33</b>

## 8. OTHER CURRENT LIABILITIES:

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
Current maturities of long term borrowings (Refer Note No.4)	2,633.67	3,934.02
Interest accrued but not due on borrowings	35.12	61.42
Unpaid Dividend*	132.34	101.00
Others payables	1,071.20	850.88
Advances from customers	53.76	163.27
TDS payable	58.31	54.43
Sundry Deposits	29.44	21.63
<b>Total</b>	<b>4,013.84</b>	<b>5,186.65</b>

\* 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:

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Provisions for employee benefits:</b>		
Ex-gratia	193.67	175.88
Leave Travel Allowances & Medical	21.43	14.18
Gratuity (Funded)	16.62	10.43
Leave Encashment	150.72	128.12
<b>Others</b>		
Proposed equity dividend	1,805.68	1,481.17
Provision for tax on proposed equity dividend	367.60	251.73
<b>Total</b>	<b>2,555.72</b>	<b>2,061.51</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 10. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 31/03/2014	Additions during the Year	Deductions/ Adjustments during the Year	As at 31/03/2015	Upto Depreciation for the Year 31/03/2014	Adjustments /Written Back	Upto 31/03/2015	As at 31/03/2015
<b>Tangible Assets</b>								
Leasehold Land	233.19	543.68	7.33	769.54	-	-	-	769.54
Buildings	11,203.63	693.71	-	11,897.34	854.50	20.01	1,203.29	10,694.05
Plant & Machinery	23,895.63	2,734.21	61.61	26,568.23	5,341.04	28.75	6,560.20	20,008.03
Furniture & Fixtures	498.45	3.67	-	502.12	122.40	2.13	168.90	333.22
Office Equipments	62.80	0.92	13.54	50.18	13.63	(7.73)	18.02	32.16
Computers	112.45	8.07	-	120.52	67.27	7.60	90.60	29.92
Air Conditioners	82.05	0.27	-	82.32	20.16	7.71	50.19	32.13
Vehicles	253.00	39.29	3.07	289.22	77.15	(1.63)	114.30	174.92
<b>Sub Total (A)</b>	<b>36,341.20</b>	<b>4,023.82</b>	<b>85.55</b>	<b>40,279.47</b>	<b>6,496.15</b>	<b>56.84</b>	<b>8,205.50</b>	<b>32,073.97</b>
<b>Intangible Assets</b>								
Technical Know How Fees	620.81	150.00	-	770.80	157.19	-	236.48	534.32
Licensed Softwares	144.72	33.46	-	178.19	34.61	-	61.34	116.85
<b>Sub Total (B)</b>	<b>765.53</b>	<b>183.46</b>	<b>-</b>	<b>948.99</b>	<b>191.80</b>	<b>-</b>	<b>297.82</b>	<b>651.17</b>
<b>Grand Total (A+B)</b>	<b>37,106.73</b>	<b>4,207.28</b>	<b>85.55</b>	<b>41,228.46</b>	<b>6,687.95</b>	<b>56.84</b>	<b>8,503.32</b>	<b>30,418.78</b>
Previous Year	34,174.60	2,937.57	5.44	37,106.73	5,161.18	2.34	6,687.95	30,418.78

(₹ in Lacs)

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 11. LONG TERM LOANS & ADVANCES

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Capital Advances</b>		
Unsecured, considered good	750.18	283.99
<b>Security Deposits</b>		
Unsecured, considered good	14.08	83.17
<b>Sundry Deposits</b>		
Unsecured, considered good	0.97	0.90
Prepaid Expenses	150.00	-
<b>Others</b>		
Income Tax Refund Receivable	68.95	85.87
Income Tax Deposits (Net of provision for taxation) (Refer Note No. 11(a))	59.75	26.09
<b>Total</b>	<b>1,043.93</b>	<b>480.02</b>
Note 11(a)		
Provision for Income Tax (Net of Income Tax Deposits)		
Provision for Income Tax	(5,144.95)	3,539.40
Less : Income Tax Deposits	5,204.70	3,565.49
<b>Total</b>	<b>59.75</b>	<b>26.09</b>

## 12. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
Fixed Deposits having original maturity of more than 12 months (Deposit against Margin Money ₹ 63.54 (31st March, 2014 : 244.38))	75.20	244.38
<b>Total</b>	<b>75.20</b>	<b>244.38</b>

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

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Unquoted, Non-Trade</b>		
In Mutual fund units		
i) 804527.011 Units (31st March, 2014 - 804527.011 ) Mutual Fund Units of L&T Triple Ace Bond Fund-Bonus	98.86	98.86
ii) 1690674.241 Units (31st March, 2014 - 1690674.241) Mutual Fund Units of Sundaram select Debt ST Asset Plan Bonus	175.00	175.00
<b>Total</b>	<b>273.86</b>	<b>273.86</b>
Aggregate amount of Unquoted Investment	273.86	273.86

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

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

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Raw Materials- Refer note 14(a)</b>	1,535.83	1,204.46
[Includes in transit ₹ 616.72 (31st March, 2014 - ₹ 218.96)]		
Stock In Process	1,052.79	1,170.32
Finished Goods - Refer note 14(b)	1,328.11	1,273.31
Stores, Spares & other consumables	1,532.48	1,015.35
<b>Total</b>	<b>5,449.21</b>	<b>4,663.44</b>
<b>Note 14(a)</b>		
<b>Details of Inventory of Raw Materials:</b>		
Toluene	386.85	259.40
Propylene	104.62	86.60
Acrylonitrile	136.78	435.57
MTBE	509.35	264.78
Others	398.23	158.11
	<b>1,535.83</b>	<b>1,204.46</b>
<b>Note 14(b)</b>		
<b>Details of Inventory of Finished Goods:</b>		
Isobutyl Benzene (IBB)	173.38	2.39
2-Acrylamido-2-Methyl Propane Sulfonic Acid (ATBS)	615.66	542.31
Sodium Salt of 2-Acrylamido-2-Methyl Propane Sulfonic Acid (NaATBS)	88.65	185.04
Isobutylene (IB)	172.35	40.41
Others	278.07	503.16
	<b>1,328.11</b>	<b>1,273.31</b>

## 15. TRADE RECEIVABLES

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Unsecured, Considered Good:</b>		
Outstanding for a period exceeding six months from the due date of payment	0.52	127.92
Others	12,909.05	11,377.50
<b>Total</b>	<b>12,909.57</b>	<b>11,505.42</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 16. CASH AND BANK BALANCES

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Cash and Cash equivalent</b>		
Cash in Hand	2.55	0.71
Balance with Banks :		
In Current Accounts	4.72	61.37
In unpaid Dividend Account	132.34	101.00
In Fixed Deposit Account with original maturity less than 3 months	2,500.00	2,800.00
In Fixed Deposit Account with original maturity More than 3 months but less than 12 months	-	-
Other Bank balances:		
In Fixed Deposit Account with original maturity of more than 3 months but less than 12 months (Deposit against Margin Money)	74.78	1,307.38
<b>Total</b>	<b>2,714.39</b>	<b>4,270.46</b>

## 17. SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
<b>Advances recoverable in cash or kind</b>		
Unsecured, considered good	1,903.49	1,956.07
Loans to Employees	7.49	1.21
Prepaid Expenses	41.34	39.80
<b>Other Loans and Advances</b>		
Advances to suppliers	516.39	305.90
<b>Total</b>	<b>2,468.71</b>	<b>2,302.98</b>

## 18. OTHER CURRENT ASSETS

(₹ in Lacs)

	As at 31/03/2015	As at 31/03/2014
Current Maturity of Fixed Deposits having original maturity of more than 12 months (Deposit against Margin Money ₹ 227.87 (31st March, 2014 : NIL))	245.87	18.00
Interest accrued on Fixed Deposits	11.66	24.95
<b>Total</b>	<b>257.53</b>	<b>42.95</b>



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 19. REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>(i) Sale of products [Refer Note No.19(a)]</b>		
Gross Sales	81,791.87	74,491.15
Less : Inter Unit Transfer	233.63	230.85
	81,558.24	74,260.30
Less : Excise Duty	5,661.20	5,532.73
Net Sales <b>Total(i)</b>	<b>75,897.04</b>	<b>68,727.57</b>
<b>(ii) Other Operating Revenue</b>		
Scrap Sales	32.62	43.07
Export Benefits/Import Entitlements	701.37	842.71
Exchange Fluctuation Difference	541.53	-
<b>Total(ii)</b>	<b>1,275.52</b>	<b>885.78</b>
<b>Revenue from Operations (Net)-(i)+(ii)</b>	<b>77,172.56</b>	<b>69,613.35</b>
<b>Note 19(a)</b>		
<b>Details of sales of products (Net of Excise)</b>		
Isobutyl Benzene (IBB)	23,218.78	24,264.60
2-Acrylamido-2-Methyl Propane Sulfonic Acid (ATBS)	23,488.47	17,796.76
Sodium Salt of 2-Acrylamido-2-Methyl Propane Sulfonic Acid (NaATBS)	11,505.21	10,403.87
Isobutylene (IB)	8,870.32	8,670.53
Others	8,814.26	7,591.81
	<b>75,897.04</b>	<b>68,727.57</b>

## 20. OTHER INCOME

(₹ in Lacs)

	Year Ended 31/03/2015	Year Ended 31/03/2014
Interest Income	55.68	21.73
Dividend Income from Current Investments	332.28	169.07
Profit on Sale of Current Investment	2.15	289.09
Cash Discount received	282.51	275.40
Miscellaneous Credit Balances Written Back	227.49	130.16
Liability No Longer Required Written Back	3.19	6.14
Miscellaneous receipts	11.17	25.22
<b>Total</b>	<b>914.47</b>	<b>916.81</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

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

	(₹ in Lacs)	
	Year Ended 31/03/2015	Year Ended 31/03/2014
Opening Stock	1,204.46	2,030.49
Add : Purchases	45,869.20	40,918.21
Less : Closing Stock	1,535.83	1,204.46
<b>Total</b>	<b>45,537.83</b>	<b>41,744.24</b>
<b>Note No.21(a)</b>		
<b>Details of Raw Materials consumed:</b>		
Toluene	9,559.14	9,985.65
Propylene	7,367.06	7,544.21
Acrylonitrile	8,923.64	6,903.85
MTBE	16,125.39	14,258.60
Others	3,562.60	3,051.93
<b>Total</b>	<b>45,537.83</b>	<b>41,744.24</b>

## 22. DECREASE/(INCREASE) IN STOCK

	(₹ in Lacs)	
	Year Ended 31/03/2015	Year Ended 31/03/2014
(i) Finished Stock [Refer Note No.14(b)]:		
Opening Stock	1,273.31	1,576.24
Less : Closing Stock	1,328.11	1,273.31
	(54.80)	302.93
Differential Excise Duty on Finished Stock	2.26	(0.26)
ii) Process Stock [Refer Note No.14] :		
Opening Stock	1,170.32	952.46
Less : Closing Stock	1,052.79	1,170.32
	117.53	(217.86)
<b>Total</b>	<b>64.99</b>	<b>84.81</b>

## 23. EMPLOYEE BENEFIT EXPENSES

	(₹ in Lacs)	
	Year Ended 31/03/2015	Year Ended 31/03/2014
Salaries, Wages & Allowances	2,846.70	2,447.58
Contribution to Provident & Other funds	186.58	160.11
Employees Welfare Expenses	85.03	70.67
Contribution to Gratuity fund	71.62	64.52
<b>Total</b>	<b>3,189.93</b>	<b>2,742.88</b>

## 24. FINANCE COSTS

	(₹ in Lacs)	
	Year Ended 31/03/2015	Year Ended 31/03/2014
Interest on:		
Term Loan	248.16	442.22
Others	273.60	332.73
Exchange difference to the extent considered as an adjustment to borrowing costs	344.92	940.75
Bank Charges	108.83	98.94
<b>Total</b>	<b>975.51</b>	<b>1,814.64</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 25. DEPRECIATION AND AMORTIZATION EXPENSES

	(₹ in Lacs)	
	Year Ended 31/03/2015	Year Ended 31/03/2014
Depreciation of Tangible Assets	1,652.51	1,461.47
Amortization of Tangible Assets	7.33	2.61
Amortization of Intangible Assets	106.02	67.64
<b>Total</b>	<b>1,765.86</b>	<b>1,531.72</b>

## 26. OTHER EXPENSES

	(₹ in Lacs)	
	Year Ended 31/03/2015	Year Ended 31/03/2014
Power & Fuel Charges	3,034.84	3,515.58
Water Charges	98.35	92.14
Stores, Spares & Other consumables	1,885.39	1,455.16
Repairs to:		
Plant & Machinery	197.64	188.89
Buildings	51.95	122.16
Repairs - Others	48.86	23.57
Wages to Contractual Labour	509.05	438.31
Other Operational Charges	18.34	16.50
Rent(Including Leave & Licence Fees)	3.83	5.40
Rates & Taxes	56.51	53.65
Insurance	91.01	123.84
Payment to Auditors [Refer Note No.26(a)]	15.03	8.55
Director's Sitting Fees	4.20	3.50
Freight & Forwarding Charges	2,030.15	2,262.00
Exchange Fluctuation Difference	-	503.43
Selling Commission	144.76	161.67
Provision for diminution in value of investment	-	1.14
Loss on sale/discarded of fixed assets	31.78	0.20
Other Expenses	930.04	725.19
<b>Total</b>	<b>9,151.73</b>	<b>9,700.88</b>
<b>Note 26(a)</b>		
<b>i) Payment to Statutory Auditors</b>		
As Auditor towards:		
Audit Fees	5.80	5.50
Tax Audit Fees	1.50	1.25
Limited review of Quarterly Results	1.35	0.90
In other capacity:		
Certification charges	0.42	0.35
Other matters	5.32	-
Reimbursement of expenses	0.14	0.05
	<b>14.53</b>	<b>8.05</b>
<b>ii) Payment to Cost Auditors</b>		
As Auditor towards		
Cost Audit Fees	0.50	0.50
	0.50	0.50
<b>Total</b>	<b>15.03</b>	<b>8.55</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 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:

(In Lacs)

Particulars	2014-2015		2013-2014		2014-2015		2013-2014	
	USD	₹	USD	₹	EURO	₹	EURO	₹
Trade Receivable	147.09	9,206.54	119.54	7,161.64	2.04	137.68	0.81	66.63
Advance given to Vendors	-	-	1.02	61.11	0.54	36.18	0.44	36.19
Cash and Bank Balances	0.01	0.19	0.01	0.15	-	-	-	-
Trade Payables	5.05	315.83	3.88	232.27	-	-	-	-
Others Payable	5.06	316.62	5.35	320.21	0.03	2.10	0.12	9.86
Loan Taken	101.58	6,357.77	270.42	16,200.82	1.27	85.85	0.39	32.11

## 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.

(₹ in Lacs)

Assumptions	31/03/2015	31/03/2014
Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
Interest/Discount Rate	7.77%	9.10%
Rate of increase in compensation	4.25%	4.25%
Rate of return (expected) on plan assets	9.00%	9.00%
Employee attrition rate (Past Service [PS])	PS:0 to 42	PS:0 to 42
Expected average remaining service	11.94	23.05
<b>Changes in present value of obligations:</b>		
PVO at the beginning of period	307.16	246.00
Interest cost	27.56	18.83
Current service cost	52.96	39.26
Past Service Cost - (vested/non vested benefits)	-	-
Benefits paid	(8.60)	(21.10)
Actuarial (gain)/loss on obligation	22.99	24.17
PVO at end of period	402.07	307.16
<b>Amount recognised in the Balance Sheet as at the end of the year:</b>		
Present Value of Defined Benefit Obligation	402.07	307.16
Fair Value of Plan Assets	385.45	296.73
Funded status - Surplus/(Deficit)	(16.62)	(10.43)
Net Asset/(Liability)	(16.62)	(10.43)
<b>Expense recognised in the statement of Profit &amp; Loss:</b>		
Current service cost	52.96	39.25
Past Service Cost - (vested/non vested benefits)	-	-
Interest cost	27.56	18.93
Expected return on plan assets	(29.26)	(22.83)
Net actuarial (gain)/loss recognized for the period	20.36	29.17
Expense recognized in the statement of P & L A/c.	71.62	64.52

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

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 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.

#### b. Information about Related Parties Transactions:

	(₹ in Lacs)	
	2014-15	2013-14
i) Key Management Personnel:		
Managerial Remuneration		
Mr. Vinod Saraf	95.30	86.43
Mrs. Vinati Saraf Mutreja	71.71	65.83
Mrs. Viral Saraf Mittal	41.15	37.97
ii) Relatives of Key Management Personnel:		
Sitting Fees		
Mr. Sunil Saraf	0.30	0.40
Mr. Mohit Mutreja	0.20	0.40
iii) Enterprises owned or significantly influenced by any management personnel or their relatives:		
Sales - Viral Alkalis Ltd.	1.82	1.60

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

## 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 ₹ 49.86 lacs (Previous Year - ₹ 53.06 lacs).

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

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

	Year Ended 31/03/2015	Year Ended 31/03/2014
Profit after tax (₹ In Lacs)	11,579.40	8,615.45
Weighted average number of shares outstanding at the year end (Nos.)	50,600,286	49,372,500
Basic earning per share (₹)	22.85	17.45
Diluted earning per share (₹)	22.85	17.45
Nominal value per share (₹)	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 ₹ 3,307.13 Lacs (Previous Year ₹ 1,653.30 Lacs).
- Disputed Excise duty demands of ₹ 198.18 (Previous Year ₹ 151.65 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 ₹ 51.43 Lacs (Previous Year ₹ 94.36 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.

## 35. CAPITAL AND OTHER COMMITMENTS

	Year Ended 31/03/2015	Year Ended 31/03/2014
a) Capital Commitments not provided for (net of advances)	4,809.73	1,218.17

## 36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Company has sought the confirmation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006. Based on the confirmations received from the some of the suppliers:

a) No principal amount and the interest due thereon are outstanding as on 31st March, 2015	:	Nil
b) The amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day for the year ending 31st March, 2015.	:	Nil
c) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	:	Nil
d) The amount of interest accrued and remaining unpaid for the year ended 31st March, 2015	:	Nil
e) The amount of further interest remaining due and payable for the earlier years.	:	Nil

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

## 37. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in Lacs)

	31/03/2015	31/03/2014
Raw Materials	2,075.26	3,075.45
Components and Spare parts	30.86	8.18
Capital Goods	403.09	165.99

## 38. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

	31/03/2015	31/03/2014
i) Travelling expenditure	9.48	15.82
ii) Commission on sales	134.31	150.45
iii) Interest	252.75	337.92
vi) Others	47.31	90.84

## 39. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED:

(₹ in Lacs)

	31/03/2015	%	31/03/2014	%
a) Raw Materials				
Imported	2,154.33	4.73	3,313.87	7.94
Indigenously obtained	43,383.50	95.27	38,430.37	92.06
	<b>45,537.83</b>	<b>100.00</b>	<b>41,744.24</b>	<b>100.00</b>
b) Spare parts				
Imported	16.08	0.85	0.26	0.02
Indigenously obtained	1,869.31	99.15	1,454.90	99.98
	<b>1,885.39</b>	<b>100.00</b>	<b>1,455.16</b>	<b>100.00</b>

## 40. EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

	31/03/2015	31/03/2014
Exports of goods calculated on F.O.B. Value	51,147.22	45,165.34

## 41. 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.

(₹ in Lacs)

	31/03/2015	31/03/2014
Travelling Expenses	2.79	3.04
Interest (net of interest received/(paid))	38.00	(59.48)
Exchange difference to the extent regarded as an adjustment to interest costs	107.56	197.25
Bank Charges	4.11	0.19
Legal & Professional charges	500.00	299.42
Insurance Charges	10.34	3.60
Testing Charges	0.11	1.96
Equipment Rent	1.21	21.21
	<b>664.12</b>	<b>467.19</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2015

- 42.** Consequent to the enactment of the Companies Act, 2013 ('the Act') and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART-C of Schedule II to the Act. Where the remaining useful life of an asset is nil, the carrying amount of the assets (net of deferred tax), as at 1st April, 2014 has been adjusted to the Retained Earnings amounting to ₹ 55.17 Lacs. In other cases, the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. Had there not been any change in the useful lives of the assets, depreciation for the year would have been lower by ₹ 100.32 Lacs
- 43.** 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.

## 44. PREVIOUS YEAR FIGURES

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

As per our report of even date attached

**For Karnavat & Co.**

Chartered Accountants  
Firm Regn.No. 104863W

**Shashikant Gupta**

Partner  
Membership No. 045629

Place: Mumbai

Date: 16th May, 2015

For and on behalf of the Board of Directors

**Vinod Saraf**

CEO & Managing Director  
DIN : 00076708

Nand Kishor Goyal  
Chief Financial Officer

**Gunvant Singhi**

Company Secretary cum Finance Controller

**Vinati Saraf Mutreja**

Executive Director  
DIN : 00079184



# NOTICE

NOTICE is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING OF VINATI ORGANICS LIMITED (the "Company") will be held on Saturday, 8th August, 2015 at 12.00 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, 2015 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. Sunil Saraf who retires by rotation at this meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Mohit Mutreja 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 AND APPROVE REAPPOINTMENT OF MRS. VIRAL SARAF MITTAL AS DIRECTOR-CORPORATE STRATEGY FOR FURTHER PERIOD OF 5 YEARS:

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

Considering her capabilities and rich experience to be beneficial for the company, the Board of Directors decided to recommend reappointment of Mrs. Viral Saraf Mittal as Director-Corporate Strategy for further term of 5 years w. e. f. 19th May 2014, 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 Mrs. Viral Saraf Mittal as Director-Corporate Strategy of the Company and whose present term as Director-Corporate Strategy of the Company, expired on 18th May 2014, 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 19th May 2014, on a remuneration of ₹220000/- (Rupees Two Lacs Twenty Thousand 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 Director-Corporate Strategy:-

### Perquisites:

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

### Or

HOUSE RENT ALLOWANCE: @ 30% of the salary.

- ii) MEDICAL REIMBURSEMENT: - Expenses incurred by the Director-Corporate Strategy and her family subject to ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
- iii) LEAVE TRAVEL CONCESSION: Reimbursement of expenses incurred for the Director-Corporate Strategy and her family subject to ceiling of one month's salary once in a year or 3 months' salary over a period of 3 years in accordance with the rules of the Company.
- iv) CLUB FEES: Fees for clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) GAS & ELECTRICITY CHARGES: Reimbursement of Gas & Electricity Charges incurred.

- vi) PROVIDENT FUND: Contribution to Provident Fund shall be such percentage as may be allowed under respective law from time to time.
- vii) GRATUITY: It shall not exceed half a month's salary for each completed year of service.
- viii) COMPANY CAR AND TELEPHONE: Provision of Car for use of company's business and telephone at residence. Use of car and telephone for private purpose will be billed to her.
- ix) PERSONAL ACCIDENT INSURANCE: Premium not to exceed ₹5,000/- per annum.
- x) LEAVE AND LEAVE ENCASHMENT: As per Company's rule and regulation applicable to the Senior Executives of the Company.

- xi) There will be 10% increase every year in salary and perquisites.

“RESOLVED FURTHER THAT 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 Mrs. Viral Saraf Mittal, 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.

By order of the Board of Directors

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad,  
Maharashtra.  
Mumbai, 16th May 2015

**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 is 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 Thursday, the 30th July 2015 to Saturday, the 8th August 2015 (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. The dividend on equity shares as recommended by the Board of Directors 175% on the share capital of the Company i.e. ₹ 3.50 per Equity Share of face value of ₹ 2/- each for the year ended 31st March 2015, if declared at the meeting, will be made payable on or after 9th August 2015 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 29th July 2015 or those, whose names appear as beneficial owners as at the end of business on 29th July 2015 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 2007-2008 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 2007-2008 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 20th October, 2015, 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](http://www.mca.gov.in).

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

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](http://www.vinatiorganics.com) and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company or to its R&TA.

(b) Members who hold shares in electronic form and want to change/correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.

(c) The Securities and Exchange Board of India (SEBI) vide its Circular dated 21st March, 2013 provided that companies making cash payments to its investors shall use approved electronic mode of payment such as ECS, NECS, and NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors:-

For securities held in Demat Mode, companies shall seek relevant bank details from the Depositories.

For securities held in Physical Mode, companies shall maintain updated bank details of its investors.

(d) Further, to avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company under the signature of the Sole/First Joint Holder, the following information, so that the bank account number and name and address of the bank can be printed on the dividend warrants:

1. Name of Sole/ First Joint holder and Folio number.
2. Particulars of bank account, viz.
  - i) Name of the bank
  - ii) Name of branch

- iii) Complete address of bank with Pin code
- iv) Account type, whether saving (SB) or Current Account (CA)
- v) Bank Account Number

#### 11. Depository System:

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

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

#### 12. Re-appointment of Directors:

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

13. Accordingly at the ensuing Annual General Meeting, Mr. Sunil Saraf and Mr. Mohit Mutreja, 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. Sunil Saraf	Mr. Mohit Mutreja
Date of Birth	14.02.1966	09.08.1982
Date of Appointment	15.06.1989	19.05.2009
Qualifications	B. Com.	<ul style="list-style-type: none"> <li>• Bachelors in Science in Economics (Finance) from the Wharton School, University of Pennsylvania</li> <li>• Bachelors of Science in Computer Engineering from the School of Engineering and Applied Sciences.</li> <li>• 10 year experience in financial services and Risk management.</li> </ul>
Directorships held in other public Company	1. Viral Alkalis Ltd.	NIL
Memberships / Chairman of committees of other public companies	1. Viral Alkalis Ltd.	NIL

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

14. The Annual Report of the Company for the year 2014-2015, circulated to the Members of the Company, is available on the Company's website viz. [www.vinatiorganics.com](http://www.vinatiorganics.com). The Company does not have Subsidiary Company.
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](http://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 26th 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 26th 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.

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad,  
Maharashtra.  
Mumbai, 16th May 2015

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

Ms. Viral Saraf Mittal was appointed as Director – Corporate Strategy of the Company for a period from 19th May 2009 to 18th May 2014 on the terms and conditions and remuneration approved by the members at the 20th Annual General Meeting of the Company held on 19th September 2009.

Considering her capabilities and rich experience to be beneficial for the Company, the Board of Directors in its meeting held on 27th January 2015, decided to recommend re-appointment of Mrs. Viral Saraf Mittal as Director – Corporate Strategy for further term of 5 years w. e. f. 19th May 2014, on the terms and condition stated in the resolution appearing under special business at serial no. 6.

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

**Registered Office:**

B-12 & B-13/1, MIDC Industrial Area,  
Mahad – 402 309, Dist. Raigad,  
Maharashtra.  
Mumbai, 16th May 2015

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.

By order of the Board of Directors

**Gunvant S. Singhi**

Company Secretary cum Finance Controller

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

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

The Board recommends the Resolution at item No.6 of the Notice for acceptance by the members.

Ms. Viral Saraf Mittal is concerned or interested in Item No.6 of the Notice.

The Board recommends passing of the Special 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.: 022-39484444 / 4428, Fax No.: 022-39484438

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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.</li><li>• In case the folio 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.</li></ul>
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. <ul style="list-style-type: none"><li>• 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) .</li></ul>



- (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.co.in> 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](mailto: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](mailto: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. (xvii) above to cast vote.
- (B) The voting period begins on 05.08.2015 at 9.00 a.m. and ends on 07.08.2015 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 01.08.2015, 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.: 022-39484444 / 4428, Fax No.: 022-39484438

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 including audited consolidated financial statement of the Company for the financial year ended 31st March, 2015 together with the reports of the Board of Directors and Auditors' thereon	Ordinary			
2.	Declaration of final dividend on equity shares	Ordinary			
3.	Re-appointment of Mr. Sunil Saraf (DIN: 00076887) as a Director of the Company	Ordinary			
4.	Re-appointment of Mr. Mohit Mutreja (DIN: 02666018) as a Director of the Company	Ordinary			
5.	Re-appointment of Mrs. Viral Saraf Mittal (DIN: 02666028) as Director-Corporate Strategy of the Company	Ordinary			
6.	Appointment of M/s. Karnavat & Company, Chartered Accounts 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			

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 03.07.2015.
- 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 07.08.2015 (5.00 p.m.) at the following address:

M/s. VKM & Associates,  
Scrutinizer,  
Vinati Organics Limited,  
Parinee Crescenzo, 1102, 'A' Wing,  
11th Floor, Plot No. C-38 & C-39, 'G' Block,  
Behind MCA, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400051.

- c. The form should be signed by the member as per the specimen signature registered with the Company/

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

- d. In case the shares are held by companies, trusts, societies, etc., the duly completed Ballot form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.
- e. A member may request for a duplicate Ballot form, if so required. However, duly filled in and signed duplicate form should reach the scrutinizer not later than the date and time specified in serial no.(b) above.
- f. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. The form will also be rejected, if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- g. The decision of the Scrutinizer on the validity of the Ballot form and any other related matter shall be final.
- h. The results declared alongwith Scrutinizer's Report shall be placed on the Company's website

[www.vinatiorganics.com](http://www.vinatiorganics.com) and on the website of the Central Depository Services Limited

<https://www.evotingindia.co.in> within three (3) days of the passing of the Resolutions at the AGM of the Company to be held on 8th August, 2015 and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.



# Vinati Organics Limited

CIN: L24116MH1989PLC052224

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

## 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/belief at the 26th Annual General Meeting of the Company to be held on Saturday, 8th August, 2015 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.	<b>ORDINARY BUSINESS:</b> Adoption of the audited financial statements including audited consolidated financial statement of the Company for the financial year ended 31st March, 2015 together with the reports of the Board of Directors and Auditors' thereon		
2.	Declaration of final dividend on equity shares		
3.	Re-appointment of Mr. Sunil Saraf (DIN: 00076887) as a Director of the Company		
4.	Re-appointment of Mr. Mohit Mutreja (DIN: 02666018) as a Director of the Company		
5.	Appointment of M/s. Karnavat & Company, Chartered Accounts 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.	<b>SPECIAL BUSINESS:</b> Re-appointment of Mrs. Viral Saraf Mittal as Director-Corporate Strategy of the Company		

Signed this .....day of.....2015

Signature of the Shareholder.....



.....  
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.

# 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






## **Vinati Organics Limited**

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



**FORM A**

1.	Name of the Company	Vinati Organics Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	There are neither any emphasis of matter nor any qualification in <del>a</del> <i>the</i> audit report
4.	Frequency of observation	N.A.
5.	Mr. Vinod Saraf - Managing Director & CEO  Mr. N. K. Goyal - CFO  M/s. Karnavat & Co., Mr. Shashikant Gupta, Partner - Auditor of the Company  Mr. R. K. Saraswat - Audit Committee Chairman	 <hr/>  <hr/>  <hr/>  <hr/>